



Daily Report

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Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

XINHUA Covers Gorbachev-Kaifu Talks

Negotiations 'Under Wraps'

OW1604133591 Beijing XINHUA in English
1228 GMT 16 Apr 91

[Text] Tokyo, April 16 (XINHUA)—Japan and the Soviet Union today agreed to keep today's summit talks on the territorial dispute under wraps, while Japanese Prime Minister Toshiki Kaifu said the time has come for the leaders of the two countries to make a political decision on the issue.

Kaifu spelled out Japan's territorial claims in the first round of talks with Soviet President Mikhail Gorbachev at the Akasaka State Guesthouse in the afternoon, Japanese sources said.

Kaifu and Gorbachev agreed not to release details of their talks over the dispute.

The dispute over the sovereignty on the four islands off Hokkaido—Etorofu, Kunashiri, Shikotan and the Habomai Islets—is expected to figure high in at least three rounds of Kaifu-Gorbachev talks on Tuesday and Wednesday.

In a briefing to reporters, Soviet Presidential Spokesman Vitaliy Ignatenko called the first summit meeting "a good beginning."

Gorbachev told Kaifu that Moscow and Tokyo should bring their relations to a new level, adding that they should not miss the opportunity to improve ties.

In the first session which lasted three hours, Kaifu and Gorbachev agreed to have frequent dialogues at the summit level. Gorbachev also extended an invitation to Kaifu to visit the Soviet Union.

Gorbachev arrived here this morning for a four-day visit to Japan, the first ever by a top Soviet leader.

Vow to Improve Cooperation

OW1604203291 Beijing XINHUA in English
1506 GMT 16 Apr 91

[Text] Tokyo, April 16 (XINHUA)—Visiting Soviet President Mikhail Gorbachev and Japanese Prime Minister Toshiki Kaifu agreed in their first round of talks here today that the two countries must work to drastically improve their relations, government officials said.

The officials said the two leaders discussed the long-standing dispute over the sovereignty of the four islands off Japan's northern island of Hokkaido and issues relating to the conclusion of a peace treaty between the two nations.

The first round of talks, held at the Akasaka State Guesthouse in central Tokyo, lasted three hours.

Citing the delicate nature of the negotiations, the officials said the two leaders agreed not to release details of their discussions.

Japanese officials who briefed reporters on the summit described the talks as "frank and direct," while Gorbachev's spokesman Vitaliy Ignatenko called it "a good start."

Ignatenko told reporters here that the two leaders saw their meeting as a "possibility for very serious breakthroughs."

According to the officials, Gorbachev said to Kaifu at the opening of their talks that "finally two great powers get together to discuss the problems that have been accumulating between them."

He stressed that the dialogue should be conducted as one "between good neighbours."

The Soviet president also expressed his hope that a "new dynamic" relationship between Moscow and Tokyo will emerge after his talks with Prime Minister Kaifu.

During the meeting, Kaifu reiterated Japan's demand for the return of the four islands held by the Soviet Union since the end of World War II, stressing that the time has come for the leaders of the two countries to make a political decision on the issue.

Gorbachev said, "the opportunity is here to bring our two countries' relations up to a new level. We should both think what to do in order not to miss this opportunity."

"The Soviet Union and Japan are and have always been neighbours. So we must consider how we are going to live together in the future," the Soviet leader was quoted as saying.

During the session, Gorbachev also formally extended an invitation for Kaifu to visit the Soviet Union.

Gorbachev arrived here earlier in the morning on a four-day official visit to Japan, the first ever by a top Soviet leader.

He is scheduled to meet with Kaifu for two more sessions on Wednesday.

Security Talks Proposed

OW1704112291 Beijing XINHUA in English
1044 GMT 17 Apr 91

["Gorbachev Proposes Trilateral Meeting for Security in Asia"—XINHUA headline]

[Text] Tokyo, April 17 (XINHUA)—Soviet President Mikhail Gorbachev today called for a "new relationship" with Japan, and proposed trilateral consultations be held among Japan, the Soviet Union and the United States as a confidence-building measure.

The statement came in the Soviet leader's address at a plenary session of the House of Representatives of the Diet (Japanese parliament).

"It is not of our intentions to undermine the politico-military structures that exist in the region," Gorbachev said.

Stating that the Soviet Union expects the military aspect in international relations to become less important, the Soviet leader said in his 45-minute speech that the Soviet Union will reduce its military presence in Asia and the Pacific—a process that could develop at a faster pace if other naval powers follow suit.

Gorbachev also repeated his proposal that a five-nation regional conference grouping Japan, the Soviet Union, China, India and the United States be held as the first step toward establishing a multilateral framework for security in Asia.

"I think it is time we really came to grips with the idea of a security conference and a zone of cooperation to be established in Northeast Asia and the Sea of Japan," he said.

Gorbachev first put forward the proposal in 1986 in a speech in Vladivostok in the Soviet Far East, calling for the "five Asia-Pacific powers to meet in order to pave the way for the creation of an Asian security forum.

During his second round of talks with Japanese Prime Minister Toshiki Kaifu earlier in the day, Gorbachev reiterated his five-nation Asia-Pacific security framework scenario.

But Kaifu reacted coolly to the idea, saying that Japan considers it more effective to tackle regional problems in a case-by-case approach.

Also in his speech to the Diet, Gorbachev expressed "understanding" of Japan's efforts to play an active role in seeking a settlement of the Cambodia conflict. Meanwhile, he also appreciated Japan's efforts in opening dialogue with the Democratic People's Republic of Korea for establishing diplomatic relations.

Gorbachev suggested that an Asian-Pacific foreign ministers meeting be convened in 1993.

Reaction to Plan 'Cool'

*OW1704144291 Beijing XINHUA in English
1324 GMT 17 Apr 91*

[Text] Tokyo, April 17 (XINHUA)—Soviet President Mikhail Gorbachev today proposed an Asian-Pacific security framework only to a cool reception by Japanese legislators.

Speaking at a joint session of the Japanese Diet (parliament) today, Gorbachev proposed that a five-member security conference be held and that a zone of cooperation be established in Northeast Asia and the Sea of Japan.

The five members for the proposed security conference are the Soviet Union, the United States, China, India and Japan.

The Soviet president also called for a "new relationship" with Japan, and proposed trilateral consultations among

Tokyo, Moscow and Washington should be initiated as a confidence-building measure.

Moreover, Gorbachev expressed his willingness to have a concrete dialogue with Japanese leaders on military issues, adding that the Soviet Union will reduce its military presence in the Asian-Pacific region.

Observers here noted that the Japanese legislators who listened to Gorbachev's 45-minute speech remained silent to the Soviet leader's plans on the Asian scene, despite sporadic applause for some other parts of his speech.

Japanese Prime Minister Toshiki Kaifu said in his second round of talks with Gorbachev today that his country considered it more effective to tackle regional problems one by one than in a comprehensive way.

Kaifu stressed that the situation in Asia is not of the same nature as that in Europe. The best way to achieve peace and security, he noted, is to enhance the development of Asian and Pacific countries in a comprehensive manner.

Tokyo has long been cool to Soviet suggestions on regional security arrangements, contending that issues such as Japan's territorial dispute with Moscow, the Cambodian conflict, and tensions on the Korean peninsula should be given priority.

According to reports reaching here, Washington has also urged Tokyo to be cautious in talks with Moscow on issues like a multinational security pact.

The reports said the Bush administration's fear is that such a pact might upset the military balance between Washington and Moscow.

Yukihiko Ikeda, director general of the Japanese Defense Agency, said on April 12 that because of the limited political dialogue between the two countries, Japan would have difficulties in dealing with a Soviet-proposed security plan in the Asian-Pacific region.

Dispute Remains 'Major Hurdle'

*OW1704122491 Beijing XINHUA in English
1129 GMT 17 Apr 91*

["Roundup: Talks on Territorial Issue Tought at Tokyo Summit"—XINHUA headline]

[Text] Tokyo, April 17 (XINHUA)—The settlement of the long-standing territorial dispute, which features high at the on-going summit between Tokyo and Moscow, seems in no way an easy job during the past two days of talks between the Soviet and Japanese leaders.

Soviet President Mikhail Gorbachev and Japanese Prime Minister Toshiki Kaifu kicked off their first round of talks several hours after Gorbachev flew in on Tuesday. The two leaders spent about half of their three-hour talks on the thorny issue of the disputed four islands, local press reported.

"The territorial negotiations, as expected, became rather difficult from the very beginning (of the Soviet-Japanese summit)," Japanese newspaper NIHON KEIZAI SHIMBUN said.

The dispute over the sovereignty of the four islands off northern Japan—Habomai, Shikotan, Etorofu, Kunashiri—has long been a major hurdle impeding enhanced relations between the Soviet Union and Japan.

Japan claims that under the three treaties signed with Tsarist Russia between 1855 and 1905, the four islands should be ruled by Tokyo, but the Soviets insist that the World War Two Yalta agreement placed the Kuriles, including the four islands, under the Soviet sovereignty.

Before the start of the current summit, Kaifu and his cabinet had decided to make every effort to press for the Soviet recognition of the Japanese sovereignty over the four islands, or at least an agreement on the return of the two smaller islands of Shikotan and the Habomai islets as the first step.

Kaifu raised the territorial issue only about 15 minutes after the first round of the summit talks began. Gorbachev tried several times to change the topic, but Kaifu brought it back and reiterated Japan's position, local press quoted Japanese sources as saying.

Both sides are "very frank" with each other in their talks, the Japanese sources said.

During the talks, the two sides agreed that all participants should keep under wraps the details of the negotiations on the territorial issue, fueling speculation that they failed to find out a common ground on the issue, local press said.

At the welcoming ceremony in honor of Gorbachev on Tuesday, Kaifu expressed the hope that "the negotiations could be as warm as the weather today." However, the public opinion here held that the first round of talks turned out to be only "a frank exchange of divergent views" on the territorial issue.

The Japanese newspapers said that the third and fourth rounds of talks will be crucial to the territorial dispute, but the Soviet Union is likely to reject the plan for the return of Shikotan and the Hobomai islets, not to say a proposed package return of all the four islands.

The dispute over the sovereignty of the four islands constitutes a stumbling block for concluding a bilateral peace treaty and bringing about a full-fledged economic cooperation between Moscow and Tokyo.

Japan's KYODO NEWS AGENCY said that Gorbachev is not intent on solving the territorial issue on his current trip. Rather, it added, the Soviet president wants to invite the Japanese prime minister to visit the Soviet Union next year, and by that time, if everything goes well, solve the territorial dispute and sign the long-expected bilateral peace treaty during the Moscow summit between the two countries.

Gorbachev Recommends Treaty

OW1704141791 Beijing XINHUA in English
1248 GMT 17 Apr 91

[Text] Tokyo, April 17 (XINHUA)—Soviet President Mikhail Gorbachev today called for a breakthrough in Soviet-Japanese relations which could be achieved by concluding a peace treaty between the two countries.

In a policy speech delivered to a joint session of both houses of the Diet (parliament), Gorbachev said it is totally unacceptable that the Soviet Union and Japan should still have no peace treaty.

He described his earlier talks with Japanese Prime Minister Toshiki Kaifu and other political leaders as "the beginning of a breakthrough" in bilateral relations. "I think they (the talks) will pave the way for a new relationship between the Soviet Union and Japan," he said.

However, Gorbachev declined to give details of how the two leaders might resolve the decades-long dispute over the ownership of the four islands off Japan's northernmost island of Hokkaido.

"Past mistakes should be corrected with prudence and due regard for the obvious fact that over the decades a new reality has emerged," he added.

It is in the interests of both countries, and the world to see a breakthrough in relations, Gorbachev said, adding that "without Japan it would be impossible to speak about contemporary progress, or a new international order we have just started to develop."

In his 45-minute speech, Gorbachev also signaled a larger role for the Russian Federation to play in determining the fate of the disputed islands.

It is essential, he said, for the two countries to build further "confidence potential" by increasing economic, political and humanitarian cooperation, and cooperation with individual Soviet republics, starting with the Russian Federation.

Turning to domestic affairs, Gorbachev described the situation in his country as difficult and even dramatic.

He said his country is moving toward a new type of society, suggesting that his perestroika reforms are irreversible.

That society is different from what it used to be, and nobody can possibly take it back to square one, Gorbachev said.

Roundup on Territory Talks

OW1704102591 Beijing XINHUA in English
1009 GMT 17 Apr 91

[“Roundup: Negotiations on Territorial Issue Tough at Soviet-Japanese Summit”—XINHUA headline]

[Text] Tokyo, April 17 (XINHUA)—Soviet President Mikhail Gorbachev began his first round of talks with Japanese Prime Minister Toshiki Kaifu only hours after his arrival here Tuesday.

During the three-hour talks the two sides focused mainly on the territorial issue. Japanese newspaper "NIHON KEIZAI SHIMBUN" reported that "the territorial negotiations, as expected, became rather difficult from the very beginning (of the Soviet-Japanese summit)."

Before Gorbachev arrived here, Kaifu and his cabinet had already hammered out their position on the territorial issue—making every effort to press for the Soviet recognition of the Japanese sovereignty over the four islands off Hokkaido, or at least an agreement on the return of the two islands of Shikotan and the Habomai islets as the first step.

It was reported that Kaifu raised the territorial issue about 15 minutes after the first round of talks started.

According to the Japanese media, the two sides, during the first round of talks attended by nine people from each side, agreed that all participants should keep under wraps the details of the negotiations on the territorial issue. Therefore, observers said that the two sides failed to find out their common ground on the issue in the first round of talks.

Speaking at the welcoming ceremony in honor of Gorbachev on Tuesday, Kaifu expressed his wish that "the negotiations could be as warm as the weather today." The public opinion here held that the first Soviet-Japanese summit turned out to be "a frank exchange of divergent views" on the territorial issues.

The Japanese newspapers said that the third and fourth rounds of talks will be crucial to the territorial dispute, but the Soviet Union is likely to even refuse the plan for the return of Shikotan and the Habomai islets.

Analysts believed that the dispute over the sovereignty of the four islands off Hokkaido constitutes a stumbling block for concluding a bilateral peace treaty and bringing about a full-fledged economic relationship between Moscow and Tokyo.

KYODO said that the intention of Gorbachev's trip is not to solve the territorial issue. Next, the Soviet president will invite the Japanese prime minister to visit the Soviet Union. He expected to solve the dispute, if everything goes well, at the Moscow summit next year which would lead to the conclusion of Japan-USSR peace treaty.

Gorbachev Meets Social Democratic Party Chief

OW1704081791 Beijing XINHUA in English
0659 GMT 17 Apr 91

[Text] Moscow, April 17 (XINHUA)—Soviet President Mikhail Gorbachev today met Takako Doi, chief of the

Social Democratic Party of Japan, one of the country's major opposition force, on the second day of his unprecedented visit to Japan.

According to the Soviet News Agency TASS, Doi said Gorbachev's visit was of 'epoch-making significance from the viewpoint of the development of relations' between Japan and the Soviet Union.

Doi said her party stood for the application of the idea of greater security "to the Asian-Pacific region on the basis of taking into account the interests of all the sides concerned," TASS said.

Doi hoped that Gorbachev's visit would open the way for the conclusion of a peace treaty between the two countries and would make it possible to resolve the territorial dispute between them, TASS said.

Japanese Businessmen Attend Luncheon for Gorbachev

View Preconditions for Ties

OW1704084391 Beijing XINHUA in English
0802 GMT 17 Apr 91

[Text] Tokyo, April 17 (XINHUA)—A senior Japanese business leader said here today that the settlement of the territorial dispute between Tokyo and Moscow and promotion of political and economic stability in the Soviet Union are preconditions for wider economic ties between the two nations.

Gaishi Hiraiwa, chairman of the Federation of Economic Organization (Keidanren) made the remark at a luncheon given in honor of visiting Soviet President Mikhail Gorbachev.

Hiraiwa said Japanese business circles strongly expect that Gorbachev's visit to Japan will lead to the conclusion of a bilateral peace treaty which, as Japan has been insisting, is conditional on a settlement of the long-standing territorial dispute between the two countries.

During the first round of summit talks held Tuesday, Gorbachev and Japanese Prime Minister Toshiki Kaifu discussed the territorial issue but neither side disclosed the details of their discussions.

Hiraiwa, also chairman of Tokyo Electric Power Co., said in his speech that the conclusion of the peace treaty would help establish a solid foundation for the expansion of bilateral economic relations.

In his speech, Hiraiwa also pointed out that political and economic stability and a smoother flow of information are vital for Japanese companies to feel secure in investing more actively in the Soviet Union.

"We will continue to study the possibility of joint ventures and promote cooperation on intellectual support and technological exchange" to help the Soviet

Union boost the international competitiveness of its industries and its attempts to transform itself into a market economy, he said.

"We will make efforts to take part in Soviet development programs such as those in Siberia and the Far East," he added.

Hiraiwa also pledged to make efforts to enhance Japanese corporate participation in Soviet development programs.

"The development of economic exchanges and cooperation between Japan and the Soviet Union will not only benefit the two countries but also the Asian-Pacific region and the world economy in the 21st century," he said.

The luncheon meeting was attended by the leaders of Japan's seven major economic organizations as well as the heads of about 550 leading Japanese companies from a wide spectrum of industrial sectors.

Gorbachev Urges Exchanges

OW1704151591 Beijing XINHUA in English
1356 GMT 17 Apr 91

[Text] Tokyo, April 17 (XINHUA)—Visiting Soviet President Mikhail Gorbachev today strongly urged the Japanese business community to help tap the resources in the Soviet Far-East region.

Speaking at a luncheon given in his honor, Gorbachev said economic relations represent the basis for all Japanese-Soviet exchanges.

He cited the potential projects of Japanese-Soviet cooperation such as the development of marine resources in the North Sea, the joint exploitation of Siberia's vast natural gas and petroleum and increasing of the Soviet export of enriched uranium to Japan.

The Soviet leader added that the joint-launching of satellites for commercial use can also be included in their cooperation projects.

Gaishi Hiraiwa, chairman of the Federation of Economic Organization (Keidanren) said the settlement of the territorial dispute between Tokyo and Moscow and promotion of political and economic stability in the Soviet Union are preconditions for wider economic ties between the two nations.

Hiraiwa, also chairman of Tokyo Electric Power Co., said in his speech that the conclusion of the peace treaty would help establish a solid foundation for the expansion of bilateral economic relations.

He pointed out that political and economic stability and a smoother flow of information are vital for Japanese companies to feel secure in investing more actively in the Soviet Union.

"We will continue to study the possibility of joint ventures and promote cooperation on intellectual support

and technological exchange" to help the Soviet Union boost the competitiveness of its products on the world markets, he said.

"We will make efforts to take part in Soviet development programs such as those in Siberia and the Far East," he added.

"The development of economic exchanges and cooperation between Japan and the Soviet Union will not only benefit the two countries but also the Asian-Pacific region and the world economy in the 21st century," he said.

According to Japanese statistics, by September of last year, Japan has established 34 joint ventures in the Soviet Union, accounting for less than two percent in the total foreign investment in the Soviet Union and 0.1 percent of all Japan's overseas investment.

'Special Article' Assesses Gorbachev Visit

HK1704150591 Hong Kong TA KUNG PAO
in Chinese 17 Apr 91 p 3

["Special article" by Chung Fei (6945 7236): "Restrained Politically, Economically, Militarily, President of Soviet Union Can Hardly Settle Territorial Dispute With Japan"]

[Text] Having been delayed several times, Gorbachev's visit to Japan finally came about and he became the first head of state of the Soviet Union or the tsarist Russian Empire in the last 100 years to visit Japan, a neighboring country. As this visit was not easily arranged, it is being followed with interest and hopes are placed on it. For the Soviet Union's part, viewed from the political, economic, and military angles, Gorbachev is greatly restricted and has little room for maneuver and it is extremely difficult to make a breakthrough in the territorial issue with Japan.

Judged from the international major climate, the Soviet Union and Japan are seeking to establish new relations at the "conclusion of the cold war" and in the course of forming a new setup. That it has not been possible to normalize Soviet-Japanese relations over a long period of time is an issue left over from the Second World War. As the whole world is casting off the old setup formed by the Second World War, the Soviet Union and Japan have no reason to get entangled in problems left over from that war.

The old setup was broken in Eastern Europe about one year ago under the diplomatic "perestroika" initiated by Gorbachev. At that time, he pursued his diplomatic line at will. This brought about a new appearance to Eastern Europe, sharp changes have ensued in the Soviet Union, and nationality problems and economic problems have arisen. This proves that his six years of reform could only lead to an unprecedented state of chaos in the Soviet Union. His prestige has now become unprecedentedly low.

His Prestige Is Low, He Can Hardly Accomplish Anything

Three days ago, on the eve of his visit to the east, the "Public Opinion and Market Investigation Center" of Moscow published an investigation report showing that 52 percent of the people support Yeltsin as a leader and only 20 percent support Gorbachev. Under such circumstances, if he wants to make concessions to Japan on the territorial issue, we cannot but say that it is a political adventure.

Gorbachev cannot, therefore, have the freedom to pursue "perestroika" in Japan he had in Eastern Europe. People see that before his visit to Japan, Minister of Defense Yazov clearly stated that the four islands could not be returned; the governor of Sakhalin Region announced that should the four islands be returned, Gorbachev would be overthrown; at the request of Yeltsin, three high-ranking Russian officials have been placed in his entourage; and the majority of Soviet Parliament members are opposed to the return of all four islands.

Khrushchev could boldly propose the return of two islands, the Habomai islet group and Shikotan, in exchange for the establishment of normal relations with Japan. Gorbachev's influence on the world outweighs that of Khrushchev. Can the former surpass the latter in the issue of the four islands?

Who Profits More by Exchanging Money for Land

Former Secretary-General Ichiro Ozawa of the Liberal Democratic Party of Japan visited the Soviet Union not long ago and disclosed a willingness to give aid of \$28 billion in exchange for the return of the four islands. It has been calculated that the total area of the four islands is 4,996 square km, making each square km worth over \$5.6 million. So far as these several small, desolate islands with a sparse population (about 21,000 people) are concerned, this is rather profitable.

Nobody knows how Ozawa calculated. It is a questionable whether Japanese businessmen are willing to make large investments in and to give credit to the Soviet Union in the present chaotic Soviet situation. In the world, only Germany can give a large amount of aid to repay the Soviet Union for promoting reunification. Therefore, Germany pays a price in its Deutsche mark exchange rate for the Soviet turbulence.

Nevertheless, some people in the Soviet Union still think that this price is too small and that the Habomai islet group and Shikotan, the two smallest islands, should be returned in exchange for \$20 billion; the price of Kunashiri and Etorofu, much larger islands, must be even larger. Although these four islands are desolate, they are rich in mineral resources and have 200 kinds of mineral products, including gold, silver, copper, and iron. The seas around them are one of the largest fisheries in the world and abound in salmon, whales, trout, and so on. Kunashiri is world-renowned for its big crabs and sea cucumber and the value of the marine products there is \$1.75 billion a year.

The Military Is Unwilling To Let Go Its Hold

Some economists in the Soviet Union maintain that the Soviet Union itself, especially Siberia, whose resources most attract the Japanese, does not have the conditions to absorb a large amount of Japanese resources. In the greater part of this undeveloped area, for each \$100 million of foreign investment attracted, the Soviet Union has to invest \$200 million in capital construction before good results can be achieved. At present, the Soviet Union has no such financial ability.

Militarily, the four islands are in an extremely important strategic position for the Soviet Union. Danguanwan [0830 0385 3494], Nianmengwan [1628 5492 3494], and Tianninggang [1131 1337 3263] on Etorofu are good natural ice-free deepwater ports and have become important Soviet naval bases. Tianning on Etorofu and Doogfo [2639 0154] on Kunashiri have jet fighter bases. Xiegudan [2438 0657 0030] on Shikotan also has a good natural deepwater port and is a key junction of the Pacific where Soviet naval forces enter and leave as well as an outpost for keeping watch on the activities of Japanese troops and local U.S. troops. Kunashiri and Etorofu also have facilities for ground troops.

The Soviet military is annoyed at Gorbachev's forfeiting of Eastern Europe and at his making excessively big concessions to the United States at arms talks. It will by no means let go its hold of these military outpost bases in the Far East. Yazov, therefore, hurriedly made a statement before Gorbachev, warning him not to make any move without careful thought.

Once these islands are lost, in addition to the forfeiture of the facilities on the islands, the gate will be closed to Soviet naval forces coming quickly southward from the Sea of Okhotsk, a Soviet Pacific nuclear submarine base, the door is open wide to a foreign enemy, and the base of the largest Soviet fleet is exposed. Although U.S.-Soviet relations are tending to ease, the Soviet military is still unwilling to easily reduce its strength without exchanging conditions.

Gorbachev Does Not have Many Bargaining Counters

In this situation, Gorbachev probably finds it harder to make concessions on these four islands than Khrushchev did. The first step he can make is to admit the existence of the territorial problem between the two parties. We must see whether or not they will discuss the sovereignty of the four islands and whether two islands, three islands, or four islands are returned. His adversaries at the talks are his compatriots at home, in addition to the Japanese. Both kinds of talks are equally difficult.

Reports, Comments Assess Impact of Gulf War

World 'Pattern' Evolves

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[Article by Wan Guang (8001 0342): "Impact of Gulf War on Evolution of World Pattern"]

[Text] The Gulf war was the first local war that affected the whole world after the world entered the period of transition from the old pattern to the new one. The war showed and also tested the intentions, tendencies, and relations of various world forces. It had a major impact on the evolution of the world pattern, added new contradictions, and brought about new tendencies.

Will It Be a "Unipolar World?"

During the Gulf crisis and the Gulf war, the United States showed that it was the only superpower that was able to send troops to fight a large-scale war in the contemporary world, and it actually won the war by relying on its advanced technology and military superiority. In the United States, the faction that advocated "new interventionism" got the upper hand for a time in the debates over the future domestic and foreign policy and the future role of the United States. On 16 January, before the United States launched the offensive against Iraq, U.S. President Bush gave a speech and said: "We shall win the real opportunity for building a new order in the world." On 6 March, Bush once again stressed in another speech that after the end of the Gulf War, the United States would "lead a new world outside the country" and will be ready to "enter the next American century." In February, U.S. Secretary of Defense Cheney said that the United States may need to reevaluate the original disarmament program for the coming period up to the mid-1990's and may slow down the pace of disarmament. The United States will step up the development of high-tech weapons and will strengthen its high-speed reaction and intervention ability in the military field. The Gulf crisis and war also showed that the United States' ability was not equal to its ambition of continuously acting as world gendarme, and its economic strength can hardly support this role. The war in the Gulf was the first war mainly fought by the U.S. troops with the financial support of its allies. Some people in the United States still wanted to act according to such a new pattern of "sharing burdens." This showed that there was a gap between the United States' intention and its strength, and that it was hard for the United States to take action alone and go its own way.

In the early years of the post-World War II period, the world hegemony of the United States reached its peak. Through undergoing the war of aggression in Korea and especially the war of aggression in Vietnam, the strength of the United States declined. In the 1980's, the Reagan administration restored the nation's military might, but this weakened its economy. The victory that the United States won in the Gulf war could not help solve the

economic and social problems in the United States. The balance of strength in the world will not return to the pattern in the early years of the post-World War II period. The United States will not be able to change its general tendency to decline. Such relative weakness of the United States will not be a kind of plummeting; instead, it will be a prolonged historical process of ups and downs.

In order to establish the "new world order" under its leadership, the United States cannot act on its own; instead, it must rely on the "most possible international support" from the Western allies, the Soviet Union, and even some countries in the Third World. On the one hand, the United States has to consolidate its leading position in the world through offering assistance to other nations; on the other hand, the United States will also oppress and control other nations in the "new order" and eventually bring other nations into the system dominated by it. This cannot but deepen its contradictions with the Western allies, the Soviet Union, and the Third World countries.

The United States won the victory in the Gulf war, but this did not enable it to establish its leading and dominating position in the world's economic realm and in some major regions of the world. In the world economy, there remain the three poles of the United States, Europe, and Japan, and the strength of Europe and Japan is rising and that of the United States is still relatively declining. Europe remains the arena for the rivalry between Europe, the United States, and the Soviet Union, and West Europe, especially Germany, will gradually seize the leading and dominating position. In the Asian-Pacific region, the United States, the Soviet Union, Japan, and China are constraining each other, and Japan is trying to take over the dominating position from the United States. The United States has greatly reinforced its position in the Gulf and in the Middle East. In the long run, however, the attempt of the United States to establish the U.S.-led "new order" from this region will intensify its contradiction with the Arab and Muslim nations as well as the contradiction between the Arab nations and Israel and the contradictions between the United States on one side and the Soviet Union, West Europe, and Japan on the other. So it will be hard to realize such an attempt. The Western press pointed out that the United States won the victory in the recent Gulf war because it benefitted from many special conditions, such as, the international opposition against Iraq's invasion and annexation of Kuwait, the serious political and military mistakes made by Iraq, the lopsided balance of strength between the United States and Iraq, and the cooperation of the Soviet Union. Next time, if the United States takes another similar military action, it may not enjoy these advantages again. Therefore, although the United States may strengthen its status and influence to a certain extent in the world in a certain period to come, this will not change the world's tendency to develop into a multipolar pattern, and the world will not become a U.S.-dominated "unipolar world."

The Soviet Union Adjusts Its Foreign Policy and Its Relationship With the United States

The Gulf crisis and war seriously affected the Soviet Union. According to some Soviet newspapers, after losing the protective screen of East Europe, the Soviet Union was now completely exposed to the flank of the Middle East. The security interests of the Soviet Union were thus more and more directly threatened. The Gulf war also made the Soviet military recognize the defects of the military theories, troop building, and weaponry in the Soviet Union.

On 6 February, President Gorbachev said in his speech calling on the Soviet citizens to participate in the referendum that as a "strong power in the world," the Soviet Union is able to "play a key role" in the establishment of a new international order. At the same time, Gorbachev also said that the Soviet Union's status and role may be easily "squandered if one tries to squander them at will."

The Soviet Union has made certain adjustments in its foreign policy. In late January, Soviet Foreign Minister Bessmertnykh said that while keeping Soviet-U.S. relations in the "central position" of Soviet diplomacy, we "need to pay more attention to relations with the neighboring countries" and "also need to establish relations with other major countries in the world."

Because of the existence of serious difficulties at home, the Soviet Union needs to maintain relations with the United States and other Western countries. In the future, the Soviet Union will continue to seek cooperation with the United States. The "cold war" relationship and military confrontation between the Soviet Union and the United States will not appear any more. Under the current situation, however, the "honeymoon period" in Soviet-U.S. relations may have come to an end. In the future, while keeping cooperation, the two sides will face more contradictions and competition.

Of course, the changes in the Soviet foreign policy and Soviet-U.S. relations in the long run will still be contingent on the development of the domestic and external situation of the Soviet Union.

Contradictions Between Western Countries Will Further Develop

The Gulf crisis and war showed that West Europe and Japan had not form an independent force in military and political terms that could cope with a crisis or could constrain the United States. In the Gulf crisis, there were interest differences among the West European countries, and they could not act in unison. As the future prospects of the Soviet Union remain uncertain, the Western countries still stressed the need to strengthen NATO and maintain the Japanese-U.S. alliance. This added weight to the U.S. status among the Western allies.

Because of the changes in the balance of economic strength among the United States, Europe, and Japan, however, they will continue to wrangle with one another

over the redivision of their spheres of influence in the world. The contradictions between West Europe and the United States and between Japan and the United States over the postwar arrangements in the Gulf and in the Middle East have become rather apparent. The forthcoming special EC summit meeting will "sum up positive and negative experience in the Gulf crisis." Leaders of some West European countries strongly called for formulating common foreign and defense policies and building up Europe's military force. There remains many difficulties for the realization of all this, and there will be a long way to go. However, EC will have to do this in order to actually become an independent pole in the world. A noticeable fact is that although Germany will have to concentrate on digesting East Germany in many years to come and expand its influence inside EC and in Eastern Europe, the German Government has announced its intention of revising the basic law in order that the country will be able to dispatch troops to an area outside Europe in the future. The Japanese authorities also tried again and again to break through its domestic law's prohibition of sending troops abroad during the Gulf crisis, and the plans failed to come true due to the people's opposition at home and abroad. Such tendency will still develop in the future. It seems that Germany, EC, and Japan will not actually become full-grown poles until the 21st century. In the 1990's, they will continue to maintain allied relations with the United States, and their contradictions and struggles with the United States will also become more intense.

North-South Contradictions Will Deepen

During the Gulf crisis and war, the Arab force as a whole was weakened. Iraq and Kuwait suffered serious destruction; and those that suffered the greatest losses were mostly Third World nations. In the future, more international funds will flow to the reconstruction of the Gulf countries, and less will flow to other Third World nations. The United States and some Western countries may exert greater pressure on the Third World countries and carry out more intervention, including military intervention, in these countries. The North-South gap and contradictions will thus further widen and deepen.

Under this situation, many nations in the Third World have been strengthening their cooperation. For example, the nations in the Maghreb Alliance in North Africa are strengthening their internal cooperation and developing relations with EC. The nations in Southeast Asia have also shown a tendency to strengthen their association and develop external relations with various sides. The Latin American countries are also reinforcing their own regional organizations while holding negotiations with the United States on the gradual process of establishing an American economic group.

Some New Tendencies in Comprehensive National Strength Competition

Various countries in the world are now engaged in a comprehensive national strength competition with stress

laid on the economic and technological fields. After the Gulf war, some new tendencies appeared in this competition which will have a bearing on the changes in the balance of strength between various countries in the 21st century:

First, various countries have attached greater importance to the development of high technology. If one lags behind in this aspect, not only will one's economic development become backward, but one may even become vulnerable to attack.

Second, various countries have attached greater importance to the position and role of military force in their comprehensive national strength and in their national security. After drawing a lesson from the Gulf war, the United States, the Soviet Union, and some West European countries may slow down the pace of disarmament and step up the development of high-tech weapons. Japan will also develop "high-quality defense force." A new round of high-tech arms race will be unfolded among the big powers. Countries in the Middle East and some other regions will also intensify their efforts for the modernization of their armaments.

Third, there will be more intense contention for the strategic resources and strategic channels in the world. In order to ensure the supply of oil from diverse regions, the Western nations will intensify their control over the existing oil producing areas and step up their contention for the potential oil-producing areas.

Some Characteristics of World Transitional Period

Through the Gulf crisis and war, one may more clearly see certain characteristics of the current transitional period in the world.

Because of the relaxation of Soviet-U.S. relations and the mitigations of their military confrontation, it is not likely that a new world war will break out. However, because the imbalance of strength in the world and in various regions, many contradictions previously constrained and covered up by the original bipolar world pattern will intensify, and many new contradictions will also appear. Contradictions and conflicts between countries in the same region will become more salient; the United States and other Western countries will interfere in the socialist countries and the third world countries; North-South contradictions will deepen; and there will be unrest and turbulence in many countries. Under these circumstances, regional conflicts and wars may increase, and unexpected eventualities may also increase.

The decline of the bipolar system and the development of the multipolar tendency constitute another major tendency in the world's development. Multipolarization will be a tortuous process of development, however. It will take a fairly long time to see the actual realization of a multipolar world.

After the original balance and alignment of strength in the world is broken, major changes in the world's balance and alignment of strength will occur continuously. In the

transitional period, the balance and alignment of various forces in the world will just be temporary and unstable. In a certain period after the Gulf war, the United States will strengthen its position and influence in the world, but this will not lead to the appearance of a new world pattern, or a "new international order" completely dominated by the United States. New changes will continue to appear in the balance and alignment of various forces in the world. The prospects of the Soviet Union remain uncertain. The strength of EC, Germany, and Japan are still developing. China is also steadily developing. Various factors show that the whole decade of the 1990's will be a transitional period in the world. Of course, it the world situation develops more rapidly, the new world pattern may take shape in a shorter time.

After the old world pattern is broken, the struggle over the questions of how to strengthen the United Nations' role and how to build regional security systems is in fact related to the issue of what a new world order should be built. This will be the focus of fierce struggle between various forces in the world over a long time to come. The essence of the struggle is whether to continue or even strengthen the old international order based on power politics and hegemonism or to establish a real new international order based on the five principles of peaceful coexistence.

Mideast Security Plans Noted

HK1704032991 Beijing SHIJIE ZHISHI in Chinese
No 6, 16 Mar 91 pp 4, 5

[Article by Ni Tongjun (0242 4547 6511): "Open Strife and Veiled Struggle Centering on Postwar Middle East Pattern"]

[Text] The six-week Gulf war ended 28 February. But a new round of diplomatic contention has started. In fact, long before "Operation Desert Storm" ended, some countries had already begun to blueprint their postwar Middle East patterns, trying to make the situation favor themselves.

The U.S. Target On 6 February, when testifying at the House of Representatives Foreign Affairs Committee, U.S. Secretary of State James Baker announced four major objectives of the Bush Administration on the future Middle East pattern: To establish a new security structure for the Middle East region; to reestablish the Gulf economy; to explore effective channels for preventing proliferation of conventional weapons and large-scale destructive weapons to the Middle East region; and to endeavor to resolve the Arab-Israeli conflict. Judging from the recent remarks of main government officials, the United States' concrete measures would include: 1) To encourage the Gulf Cooperation Committee to play a leading role in drawing up the "new security structure." 2) To mainly develop "strategic relations" with Egypt, Saudi Arabia, and other countries while giving due considerations to the "legitimate interests" of Syria, Iran, and other countries. 3) Not to allow Iraq to have nuclear or biochemical weapons; continue to impose an overall arms embargo on the Saddam regime; and to

relax the embargo and allow Iraq to play an "important role" in the Middle East peace process if a "new, anti-Saddam government" emerges in Iraq. 4) To strengthen the U.S. joint naval and air forces in that area but not to maintain large ground forces there for a long time. 5) To propose "an orderly and step by step resolution of problems" through bilateral or multilateral talks, holding that an international peace conference on the Middle East "cannot solve all the questions immediately." And, 6) To encourage the Soviet Union to "continue to play an important role" in the Middle East.

The Soviet Union Policy Since the war broke out, senior Soviet Union Government officials have repeatedly expounded the Soviet Union's basic policies on postwar peace in the Middle East: 1) The Middle East's future belongs to the people of that region's various countries. All other countries have no right to make any decision on their destiny and future. 2) A stable and prosperous Middle East may emerge after the war, including an "integrated and undestroyed Iraq." That country's leader should be determined by the Iraqi people themselves. 3) An international peace conference on the Middle East should be held under UN auspices to "solve all regional conflicts" there, but a pressing matter at present is to further discuss the UN Security Council resolution on a thorough political solution of the Iraq-Kuwait issue. 4) All new regional crisis control structures must be aimed at ensuring that there will be no large-scale bloodshed and conflicts in the Middle East. 5) The Soviet Union is not a "second-rate" state. Without the Soviet Union's active participation, there cannot be a really effective security structure in the Middle East. 6) The Soviet Union will continue to "consult and act" with the United States in the UN Security Council no matter how the Middle East situation develops.

Britain's considerations The purpose of Britain's close cooperation with the United States in fighting Iraq was to maintain its vested interests in the Gulf region. During the first 10 days of February, British Foreign Secretary Hurd explained Britain's arrangements for the postwar Middle East situation. He held that the "three pillars" for peace in the Middle East are: Maintaining security and stability in the Gulf region; achieving progress in the effort to solve the Palestinian question; and establishing a military control mechanism for banning nuclear and biochemical weapons in that region. Britain's concrete ideas are: 1) Saudi Arabia will shoulder the "main responsibility" in maintaining Gulf security. The six Gulf Cooperation Committee countries will form the nucleus of the new Gulf security structure in the initial stage, which will decide later whether to absorb Iraq and Iran in light of the situation. 2) The Gulf states should "invite" Egypt, Syria, Turkey, and Pakistan to participate in formulating a joint policy for Middle East security. Egypt can serve to "ensure" peace in the Middle East. It should be a "natural additional member" of the Gulf security structure. 3) The EC countries will maintain a number of warships and airplanes in the Middle East for a long time (but will

withdraw their ground forces) and reserve a number of military installations to help the area's relevant countries deal with sudden incidents. What merits attention is that, prior to this, Hurd had a discussion with the French foreign minister and then flew to the Middle East to exchange views with the leaders of Egypt, Saudi Arabia, and Kuwait. That was Hurd's fourth Gulf trip since 2 August last year.

The Plans of France and Italy Based on a consideration of the historical, geographical, and economic factors and with the support of France, Italy forwarded a plan in mid-February on convening a "conference on Mediterranean security and cooperation," which aimed at obtaining more rights to speak on Middle East affairs.

The plan sets the following three targets: The short-term target is to convene a postwar international peace conference on the Middle East so that "all regional conflicts, including the Palestine-Israel and Lebanon issues," can be comprehensively solved and peace can be realized in the Mediterranean Sea. The intermediate target is to strengthen economic and cultural cooperation between European and Arab countries so that that region's serious imbalance in economic and cultural development can be changed and the dynamic cause for regional conflicts and bloodshed can be eliminated. The long-term target is to follow the example of the Conference on Security and Cooperation in Europe and establish a Mediterranean-wide security and cooperation mechanism for European and Middle East countries. With the efforts of France and Italy, 12 EC countries adopted a plan during the last 10 days of February, which decided to provide economic aid to Egypt, Morocco, Algeria, Tunisia, Syria, Jordan, Israel, Lebanon, and other Mediterranean countries from 1992 to 1996. A total of \$6.167 billion in loans or donations will be granted to the countries in the next five years.

The Statement of Algeria and Seven Other Countries During the last 10 days of February, sponsored by the Algerian People's National Assembly, the representatives of the parliaments of Algeria, Tunisia, Morocco, Libya, Mauritania, Jordan, Iraq, and Palestine issued a political statement on the postwar Middle East situation. The statement's main points are: 1) To guard against U.S. ambition to "establish a new order" in that area and demand the multinational troops immediately and unconditionally withdraw from the Gulf area so that the Arab people can peacefully solve their crisis without foreign intervention. 2) To urge the governments of the Arab countries to strive for the annulment of the UN Security Council's resolution on imposing an embargo on Iraq and to reexamine their relations with the countries fighting Iraq. 3) To call on all forces of the Arab countries in the political, military, economic, cultural, and press circles to challenge Israel. All plans for the solution of Arab-Israeli conflicts should urge Israel to completely withdraw from the occupied Arab territories. 4) To reiterate that the Palestinian question is the key question of the entire Middle East issue. The Palestinian people should be allowed to establish an independent

state on their own land, with Jerusalem as its capital. 5) To appeal for the convening of an international peace conference on the Middle East, chaired by the United Nations and attended by the five UN Security Council permanent members and the various parties concerned in the conflicts, so that there can be an overall, sustained, and fair solution to the Middle East issue.

The Propositions of Saudi Arabia and Seven Other Countries The foreign ministers of Saudi Arabia, Kuwait, the United Arab Emirates, Oman, Bahrain, Qatar, Egypt, and Syria met in Cairo in mid-February. They worked out a general policy on coordination and cooperation in the political, economic, and military fields after the war. The main points are: 1) The Gulf region's stability and security form an "inseparable part" of the entire Arab world's stability and security. 2) All Arab countries can join the coordination and cooperation provided they observe the regulations of the new Middle East security structure. 3) To draft a plan on providing economic aid and a development fund to the comparatively poor Arab countries. 4) To reiterate the decision-making power of the Palestinian people and their right to establish a state on their own land. 5) To demand Israel return all the occupied Arab territories, including Jerusalem and the Golan Heights. 6) To demand the destruction of all large-scale and destructive weapons in the Middle East, especially the nuclear weapons solely possessed by Israel.

Iran's Viewpoint Being a big Gulf state, Iran is certainly unwilling to do nothing at all in the rivalry concerning the Middle East's future. The main points of Iran's viewpoint on the postwar arrangement for the Gulf region are: 1) The multinational troops should immediately withdraw from the Gulf region and be replaced by troops from the Islamic states. 2) To establish an arbitration committee composed of Gulf states and well-known figures from relevant Islamic states. The committee would be entrusted with the special task of solving the conflicts between Iraq and Kuwait. 3) To establish an Islamic foundation for the postwar reconstruction of the Gulf region. 4) The eight Gulf states should sign a nonaggression treaty with Turkey and Pakistan. 5) To establish a security and political and economic cooperation system for the region, including the eight Gulf states.

Israel's Plan During the first 10 days of February, the Israeli Government also drafted a five-point plan on a postwar arrangement for the Gulf region, which excludes the Palestinian Liberation Organization from the Middle East peace process: 1) To sign a bilateral nonaggression treaty with Arab countries. 2) To reach a disarmament agreement with all Middle East countries. 3) To bring the Palestinian issue into line with the "global framework." 4) To practice regional cooperation in the Middle East. And, 5) to solve the question of water resources distribution in the Middle East.

All the above-mentioned plans and ideas on postwar arrangements for the Middle East are only a prelude to a "political war in the Middle East." As there are differences among various countries in terms of the political situation and interests, there are profound differences

among them on a series of key issues. For example, all plans forwarded by various countries have mentioned an international peace conference, and most countries proposed that the conference be held under UN auspices so that the Arab-Israeli conflicts, which have lasted over 40 years, can be thoroughly solved. But both the United States and Israel take a negative attitude toward this. They advocate the monopoly of power by Israel and the countries which sent multinational troops in solving the Arab-Israeli conflicts.

Whatever changes there may be in the postwar Middle East strategic pattern, it will finally be decided by the repeated trials of strength among various forces and the influence of the four major contradictions: between Arab countries and Israel, among Arab countries, between foreign forces and Middle East countries, and among the foreign forces. In this sense, there will still be a long and tortuous road ahead to realize real peace in the Middle East.

'New World Order' Fostered

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No 6, 16 Mar 91 pp 17-19

[Article by Qi Guang (0366 0342): "Gulf War, United States' 'New World Order'"]

[Text] Since the Iraqi invasion of Kuwait last August and the United States' large-scale dispatch of troops to the Gulf region, the U.S. authorities have repeatedly emphasized that it is one of the United States' important targets in carrying out Operations "Desert Shield" and "Desert Storm" to "build up a new world order." This can be exemplified by the following:

In his article entitled "Why Should We Stay in the Gulf," published in last year's 26 November issue of the U.S. NEWSWEEK magazine, President Bush wrote: "We are now at a unique moment. The civilized world is currently in the process of working out rules to control a new world order arising after the cold war."

In his nationwide broadcast speech on 5 January this year, Bush said: "What matters is not only a remote country called Kuwait, but what kind of a world we are going to live in" and "we are ready at all times to use force to maintain the new order which is emerging in countries around the world."

On 29 January this year, Bush gave the State of the Union Address in the U.S. Congress. On the issue of the Gulf war, Bush indicated: It is imperative to "seize this opportunity to realize our long-cherished hope of building up a new world order" and "the United States is playing a major leading role in this effort."

Maintaining the United States' Leading Position in the World

Being in the middle of a transitional period wherein the world set up since World War II has been smashed but a new one has not yet taken shape, the 1990's is a decade during which the world situation will undergo many

changes of tuning. It has become a central issue in various world trials of strength what kind of new world order will be built up.

Since the beginning of the 1990's, the development trend toward world multipolarity has been accelerated, and the leading position of the United States in the world has met more challenges. In its efforts to build up a "new world order," the United States has its eyes set on the next century, aiming at maintaining its leading position in the world. This point has also been repeatedly stressed by U.S. leaders in their speeches since the Gulf crisis:

Bush said in the aforementioned State of the Union Address: "In today's fast-changing world, the United States' leadership is indispensable. The United States is the only country which can, and possesses the real strength to, shoulder this heavy responsibility," and the United States should be "well prepared for the next century of the United States."

In his speech to the U.S. Defense Department on 15 August last year, Bush said: "The leading position of the United States is irreplaceable. Without real strength, we cannot give play to our leading role."

In an interview with reporters carried in this year's 7 January issue of U.S. TIME magazine, Bush indicated: "The United States shoulders excessive responsibility in helping safeguard world peace, and I would not call it a world policeman," and "many issues of vital importance in the Gulf are related to this."

It is now difficult for the United States to entirely depend on its own strength, however, especially economic strength, to continue playing such a leading role in the world. The fact that 80 percent of the Gulf war expenses were undertaken by other countries has given sufficient expression to the contradiction existing between the intention and real strength of the United States.

The Importance of the Gulf and Middle East Region

During the transitional period from the old to a new world setup, the balance of old strengths has been upset, and the balance and composition of world strengths are undergoing significant changes. During such changes, various countries will first enter a race in comprehensive national power, while several big powers strive to carve out new spheres of influence. In this connection, it is of vital significance to control and scramble for strategic resources, routes, and points in the world.

The Gulf and Middle East region, just one such important region, is rich in oil resources, and possesses a strategic route connecting the three continents of Asia, Europe, and Africa.

So far as oil goes, in the 1990's, the importance of the Gulf region as a world oil supplying base has been further enhanced. Due to the oil reserves reductions in other regions, about 65 percent of proved reserves in the world were in the Gulf region by 1990. The oil output

and export volume of the Gulf make up about 25 percent and 40 percent of world total oil output and total oil export volume respectively.

The degree of the United States' reliance on imported oil from the Gulf is rising rapidly. The proportion of imported oil in total domestic consumption once dropped to 28.1 percent in 1982, but soared to 46 percent in 1989, and 50 percent in the first half of 1990. According to U.S. official information, since 1985, about 53 percent of additional oil exports of the United States have come from the Gulf region, and of the total oil imports of the country in the first quarter of 1990, 26.9 percent came from the Gulf region.

Strategically, since the end of World War II, the Gulf and Middle East region has always occupied an extremely significant position in the global strategy of the United States. In 1959, immediately after a revolution in Iraq which overthrew the Faisal monarchy and broke the backbone of the Baghdad Treaty, the U.S. Marine Corps landed in Lebanon. On seeing the 1979 victory of an Islamic revolution in Iran in 1979 and the Soviet Union's dispatch of troops to Afghanistan, the United States began to vigorously strengthen its military presence in the Gulf and Middle East region, and established a rapid deployment force [kuai su bu shu bu dui 1816 6643 6752 5002 6752 7130] and central headquarters there. In 1982, the United States supported the Israeli invasion of Lebanon, and then the U.S. Marine Corps also entered and was stationed in Beirut. During the Iran-Iraq war, the U.S. Navy was massed in large numbers in the Gulf in 1987. To the U.S. authorities, the Iraqi invasion of Kuwait had a bearing on "the control over huge oil reserves in the world" and "the interests of the United States were being threatened." It is because of such strategic interests that the United States has sent its troops to the Gulf on a larger scale.

A Major Step for the United States in Building up a "New World Order"

In launching this Gulf war, the United States aimed not only at having this strategic oil territory under its control, but also at seizing "this opportunity" of the Iraqi invasion of Kuwait to build up a "new world order" which can ensure the leading position of the United States and help it to meet challenges from all sides.

Following the easing of U.S.-Soviet relations, contradictions and struggles between South and North have become conspicuous. Developed countries in the West are taking advantage of changes in the relative strengths between East and West and between South and North to step up pressure on and interference in Third World developing countries. The U.S. authorities stress that in building up the "new world order" of the United States, the 1990's is faced with challenges "from the Third World," especially "challenges arising from the growth of national strength of some regional powers." The Iraqi invasion of Kuwait, which took place in a strategic oil territory, "seriously imperiled" the interests of the

United States; therefore, the United States needed to concentrate its strength to strike a blow at Iraq first.

Due to significant changes in the relative strengths among various Western countries, the leading position of the United States is also challenged by the growing strength of Western Europe, especially Germany, and of Japan. Because both Western Europe and Japan largely rely on oil from the Gulf region, a U.S.-dominated "new order" in the Gulf and Middle East region will inevitably exert a great impact on Western Europe and Japan. Japan relies on importation for 99 percent of its oil consumption, and of the country's total oil import volume in the first quarter of 1990, 64.4 percent came from the Gulf region. The oil import volume of EC countries in 1989 made up 80 percent of their total oil consumption, accounting for 35.4 percent of the total energy consumption. Of the total oil import volume of Western countries in the first quarter of 1990, 51.9 percent came from the Gulf region. If it takes control of oil resources and routes in the Gulf region, the United States can have in hand "an important lever to restrict Western Europe and Japan." According to a report carried by THE WASHINGTON POST last October, a senior French official said: "Some people fear that the United States will leave us no room for maneuver in order to take forcible possession of oil-producing countries in the Gulf by next century. This is evidently a war target on which we cannot agree."

Since the outbreak of the Gulf crisis and war, Western Europe and Japan have, on the one hand, kept in step with the United States in safeguarding the common interests of the West in the Gulf region; on the other hand, there are also contradictions between the two, and both set their eyes on maintaining and strengthening their own future spheres of influence in the Gulf and Middle East region.

On seeing the Soviet Union faced with domestic and external difficulties, with a declining international influence, the United States looks forward to cooperating with the Soviet Union in building up a "new world order." However, Washington also knows well that the Soviet Union is still in possession of great military strength, and its development prospects are still unclear. Judging from its attitude toward the Gulf crisis and war, the Soviet Union is cooperating as well as competing with the United States in the Middle East. Being adjacent to the Middle East, the Soviet Union also has interests in the region which need to be safeguarded. The United States' efforts to step up its superiority in this important strategic region also aim at weakening and restricting the Soviet Union.

All the aforementioned facts show that the United States regards the Gulf war as one important step in its current efforts to maintain its leading position in the world and build up a "new world order." This is the intention of the United States. Yet, it is another question whether or not

the United States can build up a "new Middle East order" and a "new world order" through the Gulf war, as it wishes.

U.S. Military Presence Eyed

HK1704063591 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 17 Apr 91 p 6

["News Analysis" by Zhang Dezhen (1728 1795 4176): "Why Does United States Strengthen Military Presence in Gulf Region?"]

[Text] After the Gulf war ended, the United States announced that it will gradually withdraw its ground forces and some equipment from the Gulf region. At the same time, it declared that it will preserve some military forces in that region. This trend has aroused the attention of the international media.

The policy-making authorities did not give details about how many military forces the United States intends to reserve in the Gulf region. But relevant reports have revealed the following possibilities:

- 1) Some U.S. air forces will be stationed in Saudi Arabia and other Gulf countries for a long time.
- 2) Some warships of the U.S. Navy will stay somewhere near the Gulf for a long time so that "they can patrol in the Gulf to ensure the security of the sea routes there and the entrance of the Hormuz Strait, which is of great strategic importance."
- 3) The United States will build a big arsenal in the Middle East, capable of equipping an armored division. If anything happens in that region, combat troops will be carried by airplanes to the relevant area immediately and thrown into fighting.
- 4) The central headquarters of the United States—the headquarters in charge of combat in the Middle East and southwestern Asia—will set up a branch command post in the Gulf region. According to Schwarzkopf, commander of the central headquarters and general commander of "Operation Desert Storm," this will be a "permanent command post."

It is based on the immediate demand and long-term consideration that the United States has strengthened its military presence in the Gulf region. Since the Gulf war ended, a pressing matter for the United States is to establish a "security structure" in that area. Although this matter is still in the planning stage at present, a U.S. military presence will undoubtedly be an important part of it. Judging from a long-term point of view, because it is the "oil depot of the world" and has important strategic thoroughfares, the Middle East and the Gulf regions are of vital importance to the United States. At present, the countries in that region are expecting "security" and "stability" after the war. The United States is seizing this opportunity to try to reserve some military forces in that region so that its long-cherished wishes can

be realized. For this reason, the U.S. military presence in the Middle East and the Gulf regions will undoubtedly be greatly strengthened.

Moreover, strengthening the military presence in the Gulf region is also an important measure of the new defense strategy of the United States. At the beginning of March, U.S. Secretary of Defense Cheney submitted a 1992 "national defense report" to the Congress, in which he put forth a defense strategy for the United States under the new situation, which has establishing a "new world order" under the "leadership of the United States" as its target and "global defense affairs and emergency reaction" as the core. According to this strategy, "the emphasis of the defense scheme is shifted from dealing with the global challenge of the Soviet Union to reacting to threats in the main regions." It emphasizes the necessity of "military presence in forward positions" to protect the overseas interests of the United States and to deal with "major and sudden incidents evoked by regional big powers, which may threaten the interests of the United States." Recently, some strategists in the United States have been vigorously advocating the so-called "Gulf war pattern" and propagating the idea that in the flashpoints of the Third World, the United States can "resort to force in order to attain the goals of its foreign policy." It can thus be said that by strengthening its military presence in the Gulf region, the United States aims at carrying out its new defense strategy and ensuring its strategic interests there.

The strategic ideas of the United States may not be smoothly realized, however. First, the Arab countries always have misgivings about the United States. With the lapse of time, the contradictions between the United States and the Arab countries will further develop. Second, there will also be contradictions between the United States and its Western allies when making strategic arrangements in the Middle East region. Third, the Soviet Union will not allow the weakening of its influence and interests in this region. How will these contradictions be solved? This will be a new subject for the United States to study.

XINHUA Covers Bush News Conference on Iraq

Refugee Camps Ordered

*OW1704004691 Beijing XINHUA in English
0024 GMT 17 Apr 91*

[Text] Washington, April 16 (XINHUA)—U.S. President George Bush today ordered the military forces to establish temporary refugee camps in northern Iraq so that relief works can be carried out smoothly.

Speaking at a hastily arranged White House news conference, Bush said that "hunger, malnutrition, disease and exposure are taking their grim toll" on Iraqi refugees despite an large international relief work underway.

"No one can see the pictures or hear the accounts of this human suffering—men, women and, most painfully of all, innocent children—and not be deeply moved," Bush said.

For this reason and after consulting with allied leaders and U.N. Secretary-General, Bush said "I have directed the U.S. Military to begin immediately to establish several encampments in northern Iraq where relief supplies for these refugees will be made available in large quantities and distributed in an orderly way."

Military to Aid Kurds

*OW1704041591 Beijing XINHUA in English
0119 GMT 17 Apr 91*

[Text] Washington, April 16 (XINHUA)—President George Bush today said that U.S. military forces will build temporary refugee camps in northern Iraq, but he stressed that the move does not mean a shift in his hands-off policy towards the Iraqi civil strife.

At a hastily arranged White House news conference, Bush said that "hunger, malnutrition, disease, and exposure are taking their grim toll" on Iraqi refugees despite massive international relief efforts underway.

"No one can see the pictures or hear the accounts of this human suffering—men, women and, most painfully of all, innocent children—and not be deeply moved," Bush said.

For this reason and after consulting with allied leaders and the UN secretary general, Bush said he has "directed the U.S. military to begin immediately to establish several encampments in northern Iraq where relief supplies for these refugees will be made available in large quantities and distributed in an orderly way."

Bush said "adequate security will be provided at these temporary sites by U.S., British, and French air and ground forces" and "we continue to expect the Government of Iraq not to interfere in any way with this latest new effort."

Bush said that the latest move is an interim measure designed to meet immediate humanitarian need, and that the administration of and security for these sites will be turned over to the United Nations as soon as possible.

The Bush administration has been lately under fire for his hands-off policy on Iraq's civil war which critics said caused the problem of refugees after they rebelled against Saddam Husayn at the words of the Bush administration and were then cracked down with the administration standing by.

"The relief effort being announced here today constitutes an undertaking different in scale and approach. What is not different is basic policy," Bush said.

"All along, I have said that the United States is not going to intervene militarily in Iraq's internal affairs and risk being drawn into a Vietnam-style quagmire. This

remains the case. Nor will we become an occupying power with U.S. troops patrolling the streets of Baghdad," the President said.

'Talk' on Japan Sending Minesweepers to Gulf

HK1304060591 Hong Kong TA KUNG PAO in Chinese
13 Apr 91 p 2

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Japan Plans To Send Minesweepers to Gulf"]

[Text] Japanese Prime Minister Kaifu intends to send a fleet of minesweepers from the Japanese Maritime Self-Defense Force to the Gulf to carry out the task of clearing underwater mines there. Japan announced a plan to send troops to the Gulf last November, but the plan was strongly criticized at home and abroad and was finally shelved under strong pressure.

This time, when the old plan was brought up again, the Japanese authorities acted more prudently. They first revealed the intention to test public reaction at home and abroad, and then changed the tactics step by step.

Although the war in the Gulf has come to an end, a multitude of mines in the Gulf have yet to be cleared. At this moment, Japan indicated its intention to send minesweepers from the Self-Defense Force to the Gulf on the grounds that first, Japan "needs to ensure the safety of Japanese ships sailing in the Gulf;" and second, Japan wants to show its pro-U.S. position. During the Gulf war, the United States kept demanding Japan "make more contributions" and blamed Japan for being only willing to contribute money but not manpower. At present, in the name of clearing away mines to guarantee international shipping safety, the action of dispatching minesweepers to the Gulf will show to the world "Japan's contributions to the postwar rehabilitation in the Gulf." This will also calm the United States' resentment and add credit to Japan itself.

The government of the Liberal Democratic Party [LDP] was also aware that this would bring about another round of debates, however, because this was related to the stipulation of Japan's postwar Peace Constitution: Japan's Self-Defense Force is not allowed to be sent to any overseas areas. Therefore, Prime Minister Kaifu held talks with Kofuchi, the new LDP chief secretary, to find out whether the LDP supported this plan or not. Then, he also enjoined Foreign Minister Nakayama to investigate in order to draw the final conclusion by the end of this month.

In other words, Kaifu wanted to promote the plan step by step. If the plan to dispatch Japanese minesweepers abroad eventually comes true, this will be the first move of sending Japan's naval force to an overseas area. This will inevitably evoke major repercussions from domestic and overseas opinion.

Obviously, there are differences in timing and backgrounds between the current plan to dispatch minesweepers to the Gulf and the plan to send military transport planes to carry refugees last time. This time, the aim is to clear away underwater mines and guarantee shipping safety. Moreover, as the war in the Gulf has ended, the LDP expects that it will be easier to get domestic and international understanding under the current conditions for its action of sending the naval force abroad.

In essence, if the Japanese minesweepers indeed sail to the Gulf, this will still be an action of "sending troops abroad." Therefore, the LDP government was also worried that this would once again evoke criticisms from other nations and attacks from the opposition parties.

The LDP government held that the Self-Defense Force may "exercise police right" in such matters as disposing of explosives and clearing underwater mines in waterways, so it is acceptable to send the minesweepers to the Gulf. Except for sending ships to support the observation cruise near the Antarctic, so far Japan has no precedent for sending the Self-Defense Force abroad. Moreover, the Gulf voyage will go beyond the maritime scope within which the Self-Defense Force is authorized to maneuver. So the plan will inevitably be a controversial one.

The Kaifu cabinet tried to send minesweepers to the Gulf also on the grounds that in 1987, the Nakasone cabinet stated in an official document that according to Article 99 of the Self-Defense Force Act, the military has the obligation of performing the task of clearing mines. In the early postwar years, the Self-Defense Force did perform the duty of sweeping mines in Japan's coastal waters. However, the problem at present is that the Self-Defense Force will perform the duty in an overseas area. This was also the focus of fierce debate in the Diet last year.

When Kaifu resumed the plan for sending the Self-Defense Force abroad, he was worried that such an unconstitutional move might be opposed by the opposition parties, and he is now still testing the reactions from the opposition parties. All this shows that the Kaifu cabinet did not give up the plan for sending troops abroad and tried to resume the plan whenever there was an opportunity.

Japan Pledges Funds for New European Bank

OW1604031191 Beijing XINHUA in English
0113 GMT 16 Apr 91

[Text] London, April 15 (XINHUA)—Japan today became one of the first nations to pledge funds for a new European bank to aid East European countries in their switch to the market economy.

The announcement was made by Japanese Finance Minister Ryutaro Hashimoto when he spoke at the inaugural session of the European Bank for Reconstruction and Development (EBRD).

"Our country is prepared to set up the Japan-Europe cooperation fund to support the bank's activity of technical assistance," he said.

He added that the fund should be used to help the bank find and assess new projects in East European countries as well as training badly needed managers.

The fund will total 850 million yen (about six million U.S. dollars) this year.

The London-based bank will have a capital of 10 billion European currency units (ECUs) (about 12 billion dollars), of which 60 percent will be dedicated to Eastern Europe's private sector and 40 percent to the state sector.

The bank consists of 39 shareholder nations and two organisations—the Commission of the European Community and the European Investment Bank.

Japan is one of the five which each holds an 8.5 percent stake in the EBRD, the second largest after the 10 percent holding of the United States.

It is expected that the bank will act as a catalyst to encourage private commercial banks to invest in central and East European countries including Bulgaria, Czechoslovakia, Hungary, Poland, Romania, the Soviet Union, and Yugoslavia.

The bank's treasury estimates that its efforts could mobilise between 42 billion and 50 billion dollars of loans and equity for these countries in five years and between 100 billion and 120 billion dollars in eight years.

Satoru Miyamura, a director of Japan's Finance Ministry, told a news conference that Tokyo hopes that the EBRD will be a pipeline through which plenty of (Japan's) capital will flow to Eastern Europe.

"Without the EBRD, it is unthinkable that private money would start flowing to the area," he said, adding: "Many cannot even judge the risk in these countries as Japan so far has had little experience with these countries."

'News Analysis' of Kaifu's Visit to U.S.

*HK1204153191 Beijing RENMIN RIBAO in Chinese
4 Apr 91 p 6*

["News Analysis" by staff reporter Yu Qing (0060 7230):
"Why Kaifu Visited the United States in Such a Hurry"]

[Text] Tokyo, 3 Apr (RENMIN RIBAO)—Japanese Prime Minister Kaifu visited the United States on 3 April and held talks with U.S. President Bush on 4 April. Different from his visit to the United States in March last year at President Bush's "urgent invitation," Kaifu's current visit was made at Japan's "urgent demand." At present, the upper house is deliberating Japan's Government budget for the fiscal year and Japan's local elections have entered a white-hot stage. Why did Prime Minister Kaifu, who was busy with various political affairs at home, visit the United States in such a hurry?

Kaifu's current visit is related to the need to adjust U.S.-Japanese relations. Last year, after the U.S.-Japanese summit meeting and the June signing of the final report on the "economic structural consultations," U.S.-Japanese relations entered a comparatively eventless period. During the Gulf war, the United States had no time or energy to look at relations with Japan. Since March this year, however, contradictions between the two countries have become salient again. After the Gulf war ended, the United States came into frequent contact with other Western countries, but ignored Japan. Japan was rather disconcerted with this. Not long ago, at a world food and beverage exhibition held in Japan, the U.S. side was forced to withdraw American rice from the exhibition, which triggered another round in the long-standing dispute over Japan's rice import policy. The U.S. secretary of agriculture wrote a letter to the Japanese minister of agriculture, forestry, and fisheries, complaining that the rice exhibition case "caused serious humiliation to the American farmers." Recently, heads of three major American automobile-making companies met with President Bush, demanding that the administration restrict the sales of Japanese cars in the United States. By 18 March, the U.S. Congress had received 34 economic motions aimed at restricting Japan's economic inroads, this number equals the number in a whole year in the past. At the same time, there also appeared signs of friction in the semiconductor and construction industries between Japan and the United States. In particular, on 22 March, when President Bush met with Ichiro Kozawa, secretary general of Japan's Liberal Democratic Party, both sides expressed strong concern over the anti-Japanese and anti-American sentiments among the people in their countries and on the other side. This was not seen in the previous high-level talks between the two countries. The primary purpose of Prime Minister Kaifu's current U.S. visit is to mitigate such "compound frictions" made up of emotional factors and nationalist sentiments and strive to restore mutual trust.

According to the main subjects in the current U.S.-Japanese summit meeting, as revealed by the Japanese side, Japan also needs to deal with two pressing matters of the moment. One is the degree of Japan's participation in the postwar rehabilitation of the Middle East under the U.S.' dominating influence, which Japan is most concerned about. The second is Gorbachev's 16 April visit to Japan, and both Japan and the United States hope to reach a certain tacit agreement on the policy toward the Soviet Union and on the timing and intensity of Japanese-Soviet economic cooperation.

People here hold that Kaifu's current U.S. visit is an onerous one. Due to various factors at home, Japan will find it hard to make substantial concessions on the issues of rice imports and car exports, so it is hard to expect substantial improvement in Japanese-U.S. relations. Because Japan and the United States are partners in a strategic alliance, they will eventually seek compromises by making concessions, although there will be frictions from time to time.

Article Views U.S.-European Trade Conflict

HK1504093891 Beijing RENMIN RIBAO in Chinese
4 Apr 91 p 7

["Economic Jotting" by Zhang Zhenya (1728 2182 0068): "Trade Frictions Between United States, Europe Occur One After Another"]

[Text] The long-standing U.S. trade deficit at one time cast doubts on the competitiveness of U.S. commodities. But there was a turn for the better in 1990. Despite a trade deficit of \$101 billion, the United States registered a favorable balance of \$4 billion in its trade with West Europe, a miracle in eight years.

In 1992 the EEC will practice a unified market, whose population and output value will exceed those of the United States. U.S. entrepreneurs have long wished to enter this region, which has immense economic potential. Now the United States has expanded its commodity sales in other West European countries apart from expanding its marketing in the 12 EEC nations. This has of course gladdened U.S. bosses and strengthened their confidence.

Unquestionably, U.S. corporations in West Europe have made remarkable achievements in marketing their commodities. Apart from brand names and favorite commodities including "Levi" jeans and "Lumberland" boots, products such as cars, electronic computers, all kinds of subsidiary computer equipment, medical equipment, and hi-tech products are well received by employers there. Last year 29 percent of U.S. exports were assimilated by West Europe, and the increase in its exports to West Europe also far exceeded those of Japan, Canada, and other regions in the world.

These successes are of course inseparable from U.S. corporations' major improvement of their management and operations in recent years, the reduction of their production costs, and the results of strengthening their marketing networks in West Europe. But the strongest impetus has been the continuous decline in the U.S. dollar exchange rate since 1985.

The decline in the U.S. dollar exchange rate has helped lower U.S. commodity prices in foreign markets, thus improving their competitiveness. The larger the scale of the decline, the more strongly this advantage is felt. From 1985 to last year, the largest drop was registered in the U.S. dollar exchange rates with West European currencies. U.S. dollar exchange rates with the German mark dropped from 1:2.5 that year to 1:1.5 or 1:1.6 last year, a decrease of over 35 percent. Ups and downs in West European currency exchange rates occur basically at the same time with changes in German mark exchange rates. Therefore U.S. corporations take advantage of the drops in U.S. dollar exchange rates to market their products to different parts of West Europe. On the other hand, West European commodities are more expensive because they are calculated in U.S. dollars. Thus their exports to the United States are hampered. From 1985 to 1986, West European countries had favorable balances ranging from \$20 billion to \$30 billion

each year in their trade with the United States. Following drops in the U.S. dollar exchange rate, their favorable balances of trade have narrowed. When the U.S. domestic market was approaching a recession last year, West European countries' favorable balances finally turned into unfavorable balances.

West European corporations are complaining because they have lost some of their markets and registered a decline in their exports to the United States. As a matter of fact, they are suffering setbacks in many aspects. For example, the famous German Bayer Chemical Company registered an increase of 9 percent in its sales to the U.S. market last year, but due to a drop in the U.S. dollar, it suffered a loss of 3 percent after converting the profits into German marks. The loss to the French manufacturer of luxury products LVMH was estimated at almost \$600 million last year because of a drop in the U.S. dollar. France's Aerospatiale, which manufactures "air buses," uses the revalued franc for all its expenditures, but its income from payments by international financial groups is calculated on the devalued U.S. dollar. According to an estimate by this company, with each increase of 10 centimes (100 centimes make up one franc) in the franc exchange rate against the U.S. dollar, it will suffer a loss of \$20 million, and such losses in 1990 totaled \$1 billion.

Some hardest hit West European companies, particularly French companies, are beginning to ask for government assistance. The French Aerospatiale has obtained almost \$400 million from the government. A group which manufactures electronic computers is applying to the government for a fund to thoroughly reorganize the group and improve its research and development plans.

Many managers of West European enterprises have condemned the U.S. Government policy of providing low-U.S.-dollar subsidies for exports, describing it as "purposely destroying European industry."

The deterioration of U.S.-European trade frictions also found expression in a protest lodged by U.S. Trade Representative Hills on 14 February, because the German Government had provided a \$240-million subsidy for the Benz automobile company to make up for the losses it had incurred due to a change in U.S. dollar exchange rates. This protest was rejected by her German counterpart.

At the end of last year, neither the United States nor Europe was willing to yield in their dispute over subsidies for agricultural products. As a result, the global trade negotiations of the "Uruguay Round" entered a stalemate. Now West Europe is stepping up its trade confrontation against the United States at a time when "the U.S. dollar is pounding" the continent. A new wave has emerged while the old one has not subsided. This reflects the deterioration of Western economic contradictions and the worsening of market contention, which is not favorable to bringing about free trade in the world.

United States & Canada

Sino-U.S. Intellectual Property Annex Initialed

OW1304085991 Beijing XINHUA in English
0832 GMT 13 Apr 91

[Text] Washington, April 12 (XINHUA)—Chinese and U.S. delegations initialed the intellectual property's annex of the Sino-U.S. intergovernmental agreement on scientific and technological cooperation here this afternoon.

Duan Ruichun, head of the Chinese delegation and deputy director of State Science and Technology Commission of China, and John Boright, deputy assistant secretary for Oceans, International Environmental and Scientific Affairs of the U.S. Department of State, represented their governments to sign on the document.

At the ceremony, both sides were satisfied with the consensus on this annex to provide further basis for renewing the agreement of intergovernmental scientific and technological cooperation.

Intellectual property's annex is a part of the agreement. It agreed both parties shall ensure adequate and effect protection of intellectual property created or furnished under the agreement and relevant implementing arrangements including allocation of rights, interests, and royalties between the parties on copyright, computer software, invention, patent and commercial secret information and intellectual properties.

Sino-U.S. intergovernmental cooperation agreement on the science and technology is agreed by Deng Xiaoping and Jimmy Carter in 1979. It was re-signed and extended several times after signature. Both parties have held four rounds of negotiations on the intellectual property since 1988.

Official Denies Protectionism, Discusses MFN

HK1504045491 Hong Kong WEN WEI PO in Chinese
15 Apr 91 p 17

[Report by WEN WEI PO news-gathering team: "Vice Minister of Foreign Economic Relations and Trade Says Reduced Import Is Caused by Economic Retrenchment, Protectionism Does Not Exist in China"]

[Text] Guangzhou, 14 Apr (WEN WEI PO)—Gu Yongjiang, Chinese vice minister of foreign economic relations and trade, stressed today that China is against trade protectionism and therefore does not set limits on the import of foreign products.

When attending the Guangzhou Spring Fair reporters' reception, Gu Yongjiang was asked by the reporters whether China will amend its import policy because some countries have been complaining that China limits imports. He replied: Each country has a policy for protecting its own industry. No change has been made to China's import policy in recent years. The reduction of imports in recent years is mainly because China has been

improving and rectifying its economy and curbing inflation, which has reduced domestic demand. Especially since the renminbi was tightened, the renminbi funds for importing foreign products have been limited. Therefore, even though foreign exchange earnings have increased, the amount of imports nevertheless has decreased. This is why it is groundless to say that China is implementing a policy of protectionism.

He maintained: Since the beginning of this year, China's economic situation has improved gradually and has shown signs of recovery. We believe that the demand for imports will increase in the future.

When discussing the U.S. complaint that China enjoys an excessive surplus in Sino-U.S. trade, Gu Yongjiang said: This problem stems from the disparity between the methods used by the two countries in their statistical assessment. According to the statistics of the Chinese side, China has a deficit in its trade with the United States, whereas the statistics of the United States show the opposite. China and the United States have been incessantly negotiating with each other over this issue. Besides, China has started installing a certificate system for registering places of origin of products. The investigation and study to this end are now under way, and we believe it will help resolve the dispute over trade imbalance.

Gu Yongjiang also expressed: If the United States revoked its most-favored-nation [MFN] treatment of China, it would have a negative influence on both China and the United States, as well as Hong Kong in the capacity of major entrepot [ru guo mei guo qu xiao zhong guo de zui hui guo dai yu, dui zhong mei shuang fang yi ji zhu yao zhuan kou gang de xiang gang dou hui zao cheng bu liang ying xiang 1172 2654 5019 0948 0648 3194 0022 0948 4104 2584 1920 0948 1769 6657, 1417 0022 5019 7175 2455 0110 0644 0031 6008 6567 0656 3263 4104 7449 3263 6757 2585 6644 2052 0008 5328 1758 0742]. Lately, the Chinese side and Hong Kong businessmen have been making efforts to this end, and the Chinese Government trade delegation that visited the United States recently also touched on this issue when negotiating with the U.S. side.

Apart from this, the spokesman for this fair also expressed that the reduction of China's imports last year was not caused by any change to China's import policy. On the one hand, in the second half of the year before last, Western countries imposed so-called economic sanctions against China, discontinued their trade loans to China, suspended intergovernmental credit agreements, and placed strict controls on the export of high technology. This accounts for a large part of the decrease in China's imports. On the other hand, during the economic readjustment in China the demand for imports has decreased somewhat. In the first quarter of this year, China's imports and exports expanded simultaneously. This is why the decrease in China's imports is temporary and has nothing to do with trade protectionism.

U.S. Industrial Production Decline Reported

OW1704032191 Beijing XINHUA in English
0152 GMT 17 Apr 91

[Text] Washington, April 16 (XINHUA)—U.S. industrial production fell 0.3 percent in March, its sixth straight monthly decline and the longest string of losses in factory output since the 1981-82 recession, the Federal Reserve [FED] reported today.

The production decline was widespread, dropping output to its lowest level since June 1988.

Today's report suggests that "The recession will not be shorter and shallower than the average of postwar recessions," said Richard Rahn, chief economist for the U.S. Chamber of Commerce. The average length of the postwar recessions is 11 months.

The FED said the March decline meant that industrial production fell at a 9.25 percent annual rate during the first quarter of this year after falling seven percent in the final quarter of 1990.

It also said the operating rate of the nation's factories, mines, and utilities fell 0.4 percentage point to 78.7 percent of capacity, its lowest level since September 1986 when it measured 78.6 percent.

"The decline in output in March mainly reflected continued weakness in business equipment, construction supplies, and durable materials," it said.

Production at manufacturing plants making both durable and nondurable goods fell 0.5 percent in March, its sixth straight monthly decline.

Mining production was down 0.8 percent last month, erasing a similar 0.8 percent gain a month earlier.

Only utilities posted a gain, up 1.4 percent following a 3.3 percent decline in February.

The FED said its industrial production index in March stood at 105.3 percent of its 1987 base of 100, the lowest level since a 105.0 percent reading in June 1988.

Article Views U.S.-Proposed 'New World Order'

HK1604120391 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 14, 8 Apr 91 p 26

[Article by Shi Lujia (2457 7627 0163): "Superficial Analysis of U.S.-Proposed 'New World Order'"]

[Text] In recent years, with the gradual breakup of the old world structure formed after World War II, a very urgent question has been placed sharply before the people of the world; that is, what kind of a new world order should be established?

For a while, U.S. leaders issued countless statements on this subject. On 29 January this year, President Bush in his State of the Union address repeatedly stressed that the U.S. deployment of troops in the Gulf was not

intended only to "liberate Kuwait, but also to defend a great ideal: the establishment of a new world order."

What exactly is the "new world order" as conceived by the United States? An analysis of statements made by President Bush and other top U.S. officials will easily reveal that the U.S.-style "new world order" generally contains the following features:

First, to affirm U.S. leadership on a worldwide scale. In his State of the Union address, Bush said: "In today's rapidly changing world, U.S. leadership is indispensable," and the U.S. Government and people have to be "well-prepared for the next century being an American century."

Secondly, to create an international security structure with U.S. military force serving as the bulwark. In his State of the Union speech, Bush said: In today's world, only the United States has the "prestige" and the "means" to defend the new world order. He also stressed the need to continue strengthening U.S. defenses, not only upgrading conventional forces and renovating strategic weapons, but also continuing to promote the "Strategic Defense Initiative" in order to "eliminate any future threats against the United States, our overseas forces, and our friends and allies." In recent years, the U.S. invasion of Panama and its deployment of troops to Kuwait all showed that the United States has already considered the use of force as an important means to establish a "new world order".

In order to set up a global security structure, the United States is endeavoring to knock together regional security structures. In Europe, even though the "Yalta" structure has collapsed and the Warsaw Pact dissolved, the United States still insists on building a "complete and free Europe" with NATO as the foundation. Following the end of the Gulf war, the United States wants to maintain a military presence in the Gulf region and plans to set up a regional security structure. According to U.S. plans, these two regional security structures will be backed up by U.S. military forces. U.S. newspapers have pointed out that Bush's "new world order" concept "apparently includes a U.S. plan to have its army play a more active role."

Thirdly, to remold the world with a U.S. concept of values. In his State of the Union address, Bush announced that the United States will become the world's "beacon of freedom," that is to use the United States as the model to promote Western-style "democratic system" and "market economy" around the world. As for the Soviet Union and Eastern Europe, the United States strongly urges them to continue with intensive structure reform in order to make them irreversible; regarding the countries of the Third World, it will seek to peddle Western concepts of values through economic assistance, economic cooperation, and other forms.

The U.S. desire to create this kind of "new world order" will definitely sharpen its conflicts with other countries of the world. Looking at the world today, it is currently evolving toward a multipolar direction. After breaking free from the "Yalta" structure, Western Europe has

shown an increasingly strong tendency toward independence and the momentum toward "integration" can no longer be stopped. Japan's economic might continues to grow and it has become increasingly critical of U.S. control. As an important force in today's politics, most of the countries of the Third World are playing an increasingly important role. Peace and development have become the two main trends in the world today, while opposition to power politics and to the use of force, opposition to interference in the internal affairs of other countries, and the search for independence and development have become the common cries of the people of all countries. Given this situation, the U.S. attempt to establish a "new world order" which will be dominated by the United States, be founded on the U.S. concept of values, and be protected by U.S. military force appears to be anachronistic and is unlikely to materialize.

A genuine new world order should be established on the basis of the five principles of peaceful coexistence where all countries, big or small, are equal and enjoy the right to take part in the discussion and resolution of world affairs, and where no one or two or a handful of big powers monopolize international affairs; where all countries have the right to choose their own social system, ideology, economic pattern, and development path in accordance with their own national conditions, and where no interference in the internal affairs of other countries may be permitted nor a certain specified development model imposed on other countries; where all countries should respect the sovereignty and territorial integrity of other countries, insist on using peaceful means to resolve disputes between states, and oppose the use of force or the threat of resort to force. Correspondingly, a new international economic relations should also be established. Only the creation of this kind of new world order conforms with the trend in the historical development of the world today as well as with the aspirations of the world's people, and will contribute genuinely to the maintenance of world peace and stability.

Soviet Union

Sino-Soviet Forestry Fair Planned for Jul

HK1504025791 Beijing CHINA DAILY in English
15 Apr 91 p 2

[By staff reporter Wu Yunhe]

[Text] China and the Soviet Union are speeding up efforts to beef up forestry cooperation this year.

The Sino-Soviet Trade Office under the Ministry of Forestry said yesterday that executives from the two countries were discussing holding a Sino-Soviet forestry trade fair in the far eastern Soviet city of Blagovescensk in July this year.

The fair, said an official from the ministry, aimed to provide more opportunities to trade skilled Chinese labour and machinery for Soviet timber.

It was also part of an attempt by the Chinese Government to jointly develop timber resources in the far eastern areas of Siberia.

Contracts might be signed during the fair between Chinese and Soviet business people to set up projects involving tree planting, lumbering and processing, said the official.

An agreement was reached last month in Beijing between Chinese and Soviet executives on the agenda for the fair and the number of participants.

China also planned to send an official delegation to the fair to establish contact with as wide a range of government departments as possible, the official said.

Meanwhile, the Chinese Government was expected to send several economic and technical missions to the Soviet Union this year to negotiate with Soviet business people on expanding cooperative forestry projects in the form of barter trade business, the official said.

At present, more than 1,000 Chinese technicians and skilled labourers are working on forestry development projects in the far eastern area of Siberia. The Soviet side mainly pays China with timber, chemical fertilizer and steel.

China shares more than 7,000 kilometres of border with the Soviet Union.

China's massive force of low-paid and skilled labour living in the north and northwest areas is one of its major advantages in developing cooperation with the Soviet Union in forestry construction in Siberia, which accounts for more than 50 percent of the Soviet Union's territory.

The official said China had already proposed several Sino-Soviet forestry development programmes and was currently waiting for a definite response from the Soviet side.

China hopes the Blagovescensk fair will inject vigour into the already flourishing cooperation which has so far been on a regional basis on either side of the border.

The official said Sino-Soviet forestry cooperation for this year looked promising.

Heilongjiang Expands USSR Labor Service

OW1604073991 Beijing XINHUA in English
0632 GMT 16 Apr 91

[Text] Harbin, April 16 (XINHUA)—More than 1,000 Chinese people have left Suifenhe City, Heilongjiang Province, to work in the Soviet Union this year.

Pan Dequan, head of the Suifenhe Frontier Inspection Station, said the export of labor service this year began earlier than previous years, adding that the number of people performing labor services will surely exceed that from previous years.

Sharing a 3,040-kilometer border with the Soviet Union, China began to contract laborers from Suifenhe City to

grow vegetables, cut trees, build projects and perform maintenance work in the Soviet Union in 1988.

By the end of 1990, a total of 10,800 people had worked in the neighboring country for this purpose.

In return, Pan noted, the Soviet Union has compensated China with timber, cement and other products.

CPSU Leaders Warn of Internal Dangers

OW1704030691 Beijing XINHUA in English
0148 GMT 17 Apr 91

[Text] Moscow, April 16 (XINHUA)—On the eve of the 50th anniversary of the Anti-Fascist German War, Communist Party chiefs from 13 Soviet cities warn that their country is again in danger—but this time it comes from inside instead of outside.

The warning came in a jointly-signed letter, published by TASS news agency today, addressing to the whole Soviet public.

"All dirty tricks have been applied to make people forget history, to provoke conflicts among us by capitalising on ethnic problems, and to smother people's sense of justice and their love of and duty to the country," TASS quoted the letter as saying.

"Those people" were clearly intent on the collapse of a country with a history of hundreds of years, the mental destruction of the traditional way of life, and social experimentation aimed at establishing an economic system characterized by a capitalized society, it added.

The party chiefs called on all party members and forces who love their country to rally together for a resolute fight against disorder, and for restoration of peace and renewal of the country.

The 13 party heads are from Moscow, Leningrad, Kiev, Minsk, Brest, Volgograd, Kerch, Murmansk, Novosibirsk, Odessa, Sevastopol, Smolensk, and Tula, TASS said.

Northeast Asia

Japanese Visitors Pleased With Investment Climate

OW1704102891 Beijing XINHUA in English
0923 GMT 17 Apr 91

[Text] Beijing, April 17 (XINHUA)—Following a five-day visit to China, a 20-member delegation of Japanese entrepreneurs expressed their satisfaction with China's investment environment and expressed an interest in seeking cooperative investments.

The delegation, which consists of representatives of medium- and small-size Japanese enterprises, visited Shenyang and Beijing from April 10 to 16. The aim of

the delegation, which was organized by the Sino-Japanese Society of Investment Development, is to promote investments in China by Japanese enterprises, it was learned.

The society was established in August 1989 and its membership now includes 60 enterprises.

During their stay in China, the delegation visited a number of Sino-Japanese joint-ventures, as well as Chinese enterprises. In addition, they heard about the experiences of joint ventures from the Beijing National Color Kinescope Company Limited.

Officials from departments under the State Council, the State Planning Commission and the Ministry of Foreign Economic Relations and Trade introduced the entrepreneurs to China's investment guidelines, industrial policies and current situation concerning foreign investment. Officials of the Bank of China and the State Administration of Taxation also answered their questions.

Gu Mu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and honorary president of the China Society of Foreign Invested Enterprises, met the delegation at the Great Hall of the People in Beijing. Gu told the Japanese entrepreneurs that China's open-door and reform policies will not change.

Shigenobu Sakashita, the delegation leader, told reporters before their departure from Beijing that this was the first trip to China for 14 members of the delegation. He said that many of them felt that what they have seen is completely different from what they have heard. Sakashita said that the delegation was deeply impressed with China's strong desire to develop economic and trade cooperation with foreign countries, and that they were determined to contribute to Sino-Japanese economic exchanges.

Sakashita is also the president of the Japan-China Investment and Development Consultant Corporation which operates a Sino-Japanese joint venture in Guangdong Province, south China. In addition, the corporation arranged for Chinese students to study in Japan, and has recently signed a contract with Shenyang City to open a joint venture computer software company in Tokyo.

Sakashita said that due to the shortage of labor in Japan, Japanese enterprises are keenly interested in investing in China. The problem is, however, that exchanges between Chinese and Japanese enterprises have not been developed fully.

He also said that many Japanese entrepreneurs have suggested that the Japan-China Investment and Development Consultant Corporation should open an office in Beijing. They feel that such an office would provide an invaluable service to the Japanese entrepreneurs wishing to invest in China. Sakashita said that as a result of the suggestion an office will be opened in Beijing in the near future.

Mongolian Military Group Visits Defense School*OW1704080191 Beijing XINHUA in English
0514 GMT 17 Apr 91*

[Text] Beijing, April 17 (XINHUA)—A Mongolian military delegation headed by Lieutenant General S. Jadambaa, minister of national defense, visited the National Defense University of the Chinese People's Liberation Army here this morning.

General Qin Jiwei, Chinese state councillor and defense minister, accompanied the delegation during the visit.

The visitors are scheduled to visit other Chinese cities tomorrow.

Mongolian Premier on Worsening Economic Situation*OW1404065391 Beijing XINHUA Domestic Service
in Chinese 0030 GMT 14 Apr 91*

[Text] Ulaanbaatar, 13 Apr (XINHUA)—In his government work report to the Third Session of the Mongolian Small Hural on 13 April, Mongolian Prime Minister Dashiyn Byambasuren said: The side effects of growing unemployment and monetary devaluation, brought about by the intensifying economic crisis and the transition to the market economy, are causing heavy psychological pressure in Mongolian society. They also are testing the Mongolian people's ability to earn a living and the viability of the new political system.

He said: The basic requirements for overcoming the crisis call for cooperation among various advanced political forces, self-motivation in organizing the people, full utilization of domestic potential, and improvement in social standards.

He called on all political forces to cooperate with the government, give priority to the interests of the state and the people, enforce strong labor discipline, improve work organizations, and form a new mechanism of economic relations.

He said: In the past six months, the Mongolian Government has consistently followed the policy of ensuring normal economic activities, strengthening political stability, overcoming crises, and resolutely converting to the market economy.

Since the latter half of 1990, the Mongolian economic situation has worsened further and production has tumbled. We have failed to accomplish major economic goals and market supplies have remained low.

Southeast Asia & Pacific**Wu Xueqian Meets South Pacific Forum Official***OW1604142591 Beijing XINHUA in English
1402 GMT 16 Apr 91*

[Text] Beijing, April 16 (XINHUA)—China will further its friendly relations with the South Pacific Forum and the

South Pacific nations on the basis of peaceful coexistence, a senior Chinese Government official said here today.

Chinese Vice-Premier Wu Xueqian said this at a meeting with Henry Naisali, the forum's secretary-general.

Wu briefed his guest on China's independent foreign policy of peace, reform and opening policy and its position concerning the Taiwan issue.

Reporting his impressions of the visit, Naisali said that the situation and atmosphere he had found in China were different from what was described by Western mass media.

He said that he will report to the member states of the forum China's current economic development and political stability, so as to promote the ties between the South Pacific nations and China.

He also expressed appreciation of China's policy towards the South Pacific region and reaffirmed the forum's one China policy.

Naisali arrived here April 15 as guest of the Chinese Foreign Ministry. Chinese Vice-Foreign Minister Liu Huaqiu held talks with him the same day.

West Europe**China Protests Italian Minister's Taiwan Visit***OW1704075191 Beijing XINHUA in English
0736 GMT 17 Apr 91*

[Text] Beijing, April 17 (XINHUA)—The Chinese Government has lodged a protest with the Italian Government against a recent visit to Taiwan by an Italian minister.

According to a Chinese Foreign Ministry spokesman, a leading member of the Department for West European Affairs of the Foreign Ministry recently met by appointment with Italian Ambassador to China Mr. Rossi to make representations on the visit to Taiwan by an Italian delegation headed by its minister of public works Mr. Prandini.

The Chinese official pointed out that Prandini recently visited Taiwan as the head of a delegation and met with some high-level personalities of the Taiwan authorities, the spokesman said.

The official said that such a move of the Italian side runs counter to the principles guiding diplomatic relations between China and Italy as well as Italy's commitment to recognizing only one China, which is absolutely unacceptable to the Chinese side.

The spokesman quoted the official as saying, "I am therefore instructed to lodge a protest with the Italian Government.

"We request that the Italian side, proceeding from the overall interests of maintaining Sino-Italian relations, strictly observe the principles guiding diplomatic relations between China and Italy and its own commitment to recognizing only one China, confine its ties with

Taiwan strictly within economic and trade relations of non-governmental nature and refrain from going beyond this limit so as to prevent Sino-Italian relations, which are improving right now, from possible obstructions and jeopardy."

Li Peng Meets British, Icelandic Envoys

*OW1604121591 Beijing XINHUA in English
1200 GMT 16 Apr 91*

[Text] Beijing, April 16 (XINHUA)—Chinese Premier Li Peng held separate meetings here today with outgoing British Ambassador to China Alan Donald, and the newly-appointed Icelandic Ambassador Ingvi S. Ingvarsson.

During his meeting with Donald, the premier mentioned his report at the annual session of the National People's Congress which ended earlier this month, in which he outlined his government's guidelines for developing relations between China and Western European countries.

Li said that the Chinese Government will continue to promote ties with Britain and other Western European nations in the spirit of seeking a common ground while understanding each other's differences and on the basis of mutual respect for sovereignty and non-interference in each other's internal affairs, quality and mutual benefit.

Premier Li expressed his appreciation for Ambassador Donald's efforts towards restoring and promoting Sino-British relations during his tenure in office. Donald came to Beijing in May 1988.

"We attach great importance to our ties with Britain, and the achievements of British Foreign Secretary Douglas Hurd's recent visit to China have served to enhance mutual understanding," said Li.

Concerning the Hong Kong issue, Li said China and Britain have a common interest in maintaining prosperity and stability during the transitional period. As long as the two sides act in the spirit of mutual understanding and accommodation it will not be difficult to settle any problems, he added.

During the 30-minute meeting, Donald extended British Prime Minister John Major's greetings to Premier Li. He said that Britain and China, as permanent members of the United Nations Security Council, have much in common and should increase mutual contacts.

Later in the day, Li met with Ambassador Ingvarsson and extended his welcome to him upon his assuming office as the Icelandic ambassador to China.

Ingvarsson conveyed regards of President V. Finnbogadottir of Iceland, as well as those of Prime Minister S. Hermannsson, to the premier. In return, Li asked Ingvarsson to pass his regards to the two Icelandic leaders.

Zhu Rongji Continues Paris Visit, Talks

Assures Investors of Stability

*OW1604125391 Beijing XINHUA Domestic Service
in Chinese 0539 GMT 16 Apr 91*

[Text] Paris, 15 Apr (XINHUA)—The visiting Chinese Vice Premier and Shanghai Mayor Zhu Rongji told people of French economic and industrial circles here today: "The situation in China is stable, so is the situation in Shanghai; China and its Shanghai City have an edge in political stability. We welcome your investments not only in Shanghai, but in other parts of China as well. Investments in China enjoy a complete political guarantee."

Zhu Rongji made these remarks at a report meeting sponsored by the France-China Committee of the National Council of French employers. He said: The policy of reform and opening to the outside world practiced in China in last 10 years has brought tremendous benefits to the Chinese people. With their income doubled, the urban people have improved their living standards; and the living standards of rural people have improved even more. At present, the Shanghai people are going all out in production and construction, and are making efforts to improve their life.

President of the France-China Committee De Villepin said in a welcoming speech at the meeting: The construction and development of Shanghai left a very deep impression on him during his visit to China and Shanghai in April 1990. He described Shanghai's development as vigorous. He said: "The large audience at this meeting today indicated the great attention French industrial circles are paying to the economic development in China. This report meeting itself is a proof of the development of French-Chinese economic and trade relations."

Discusses Shanghai-Paris Ties

*OW1604193191 Beijing XINHUA in English
1835 GMT 16 Apr 91*

[Text] Paris, April 16 (XINHUA)—A French minister today met with Zhu Rongji, mayor of the Chinese city of Shanghai and also new vice premier, for talks on the major cooperative projects in building, transport, environment, and infrastructure between France and Shanghai.

According to a summary of the talks signed after the meeting, both sides "have expressed their satisfaction over the smooth development of their mutual cooperation and better cooperative relations enjoyed by the relevant organizations of the two sides".

Louis Besson, French minister of equipment and housing, transport and the sea, reiterated during the talks that cooperation with Shanghai has been one of the top priorities of his ministry and hoped that such cooperation can be further developed to a new level.

Meets French Prime Minister

OW1704074591 Beijing XINHUA in English
0234 GMT 17 Apr 91

[Text] Paris, April 16 (XINHUA)—French Prime Minister Michel Rocard says friendly cooperation between China and France is not only essential to the two countries, but also very important for balancing forces in the world.

When meeting with visiting Shanghai Mayor Zhu Rongji Tuesday, Rocard said Sino-French friendly cooperation was particularly important in strengthening cooperation among permanent members of the United Nations Security Council.

Rocard expressed pleasure and satisfaction over the swift restoration of political ties, and the strengthening of economic and technological cooperation between the two countries.

Rocard also congratulated Zhu on his recent nomination as Chinese vice-premier.

Zhu arrived in Paris on Saturday for a five-day visit, following his tour of Italy, the Netherlands and Belgium.

During his visit here, the mayor also met a number of government ministers and officials, as well as representatives from banking and industrial circles for talks on economic cooperation between France and the City of Shanghai.

According to Zhu, both sides expressed common aspirations on developing friendly cooperation, and agreed there were broad avenues to further relations in various fields.

Zhu today also met French Foreign Minister Roland Dumas, who will be going to China for an official visit.

The foreign minister told Zhu that he has always kept a constant and deep contact with China ever since he first visited that country in 1958. He attached an even greater importance to developing a special and high-level relationship of cooperation with China since he came to his present office, he added.

Li Lanqing Addresses Belgium-Luxembourg Talks

OW1704111291 Beijing XINHUA in English
1051 GMT 17 Apr 91

[Text] Beijing, April 17 (XINHUA)—The eighth meeting of the China and Belgium-Luxembourg Economic Union Mixed Committee closed here today.

Addressing the closing session, Li Lanqing, minister of foreign economic relations and trade, described the meeting as a successful one and said it will surely pump new vigor into the economic and trade cooperation between China and the union.

He spoke highly of the visit of the Belgian Government delegation led by Foreign Trade Minister Robert Urbain and pointed out that its participation in the meeting has

given an impetus to the economic cooperation among the three countries. Urbain said that his visit to China was an indication of further development of Belgian-Chinese relations.

During the two-day meeting of the mixed committee, the Chinese and Belgian delegations had extensive discussions on the expansion of bilateral economic and trade cooperation.

In addition to attending the meeting, Urbain met Chinese Vice-Premier and Minister in Charge of the State Planning Commission Zou Jiahua and leading members of the Ministry of Posts and Telecommunications, the Ministry of Metallurgical Industry and the Ministry of Machine-Building and Electronics Industry.

At the end of the closing ceremony, Li and Urbain signed the summary of talks on an interest-free loan from the Belgian Government to the Chinese Government and the summary of talks of the eighth meeting of the mixed committee.

As one of the results of the meeting, the Chinese State Science and Technology Commission and the Foreign Ministry yesterday signed the summary of talks of the mixed committee's science and technology group, which involves 23 cooperative projects covering agriculture, geology, energy, information and chemistry. Both sides will enter into cooperation in the forms of personnel exchange, joint research and scientific and technological exhibition.

Light Industrial Exchange Initiated With Turkey

HK1704064391 Beijing CHINA DAILY in English
17 Apr 91 p 2

[By staff reporter Chang Weimin]

[Text] China and Turkey have settled on the first areas of the light industrial sector in which the two countries will begin cooperative efforts.

Gu Dongfang, an official from the Ministry of Light Industry, yesterday said that the Chinese side will begin by selecting manufacturers of watches and clocks, pottery and porcelain, bicycles, and arts and crafts for possible joint ventures or joint production with Turkish firms.

Meanwhile, the Turkish side is interested in cooperating in the manufacturing of carpets, glass, crystal, and the processing of animal skins, food, and gold and silver.

The agreement for the planned cooperation was signed by Zeng Xianlin, Chinese Minister of Light Industry, and Sukru Yurur, Turkish Minister of Industry and Commerce last weekend.

Yurur, who led a delegation consisting of officials and economic specialists to China, stayed in Beijing on a week-long visit that ended last Saturday.

The agreement means that Sino-Turkish cooperation in the field of light industry will enter a new stage, ministry officials said.

China's Ministry of Light Industry has sent several delegations to Turkey to explore economic and technical exchanges. But no cooperative projects have been started in the field so far.

However, Gu said, the agreement sends out signals for entrepreneurs to increase their contacts and seek opportunities for cooperation.

The two ministers agreed to encourage entrepreneurs to launch joint ventures and other cooperative projects in the field of light industry.

Economic and technical cooperation will be supported by the ministries in terms of the supply of information, policy, and the improvement of the investment climate.

To promote potential cooperation, the two sides agreed that China is to hold an arts and crafts exhibition in Turkey, the first of its kind.

Peng Chong Meets Finnish Friendship Delegation

*OW1504024291 Beijing XINHUA in English
0226 GMT 15 Apr 91*

[Text] Beijing, April 15 (XINHUA)—Peng Chong, vice-chairman of the Standing Committee of the Chinese National People's Congress [NPC], met a delegation of the association of the Finnish cities at the great hall of the people here this morning.

The eight-member delegation led by Jussi-pekka Alanen, general manager of the association, arrived here on April 12 at the invitation of the Chinese People's Association for Friendship with Foreign Countries.

During their 10-day visit, the visitors and their Chinese colleagues will discuss city planning and administration and social welfare.

Latin America & Caribbean

Peruvian Leader Reviews Visits to China, Japan

*OW1704005191 Beijing XINHUA Domestic Service
in Chinese 0632 GMT 16 Apr 91*

[Text] Lima, 15 Apr (XINHUA)—Peruvian President Alberto Fujimori said here today that the purpose of his

recent visit to PRC was to strengthen economic and trade relations with the country.

Fujimori spoke on his recently-concluded visit to China and Japan at a news conference. He said: Countries throughout the world regard PRC as a market with great potential. Peru benefits from the big market by exporting local industrial products to the PRC. He also said: Peru intends to build a thermal power station, and China has the full capability to provide the necessary equipment.

On his attending the annual meeting of the Inter-American Development Bank in Nagoya, Japan, Fujimori said: During the meeting, the international financial circles immediately understood the Peruvian Government's serious attitude in its economic policy and the urgency of the Government's need for international help. He said: Peru's work to rejoin the international financial system is progressing smoothly.

Trade Union President Meets Brazilian Group

*OW1604204591 Beijing XINHUA in English
1423 GMT 16 Apr 91*

[Text] Beijing, April 16 (XINHUA)—Ni Zhifu, president of the All-China Federation of Trade Unions (ACFTU), met here today with a visiting delegation from the Union Confederation of Workers or Central Unica dos Trabalhadores (CUT) from Brazil.

During the meeting, the two sides exchanged views on the movement of international trade unions.

The delegation, led by Durval Ferreira, first secretary of CUT, arrived in Beijing on April 15 at the invitation of the ACFTU, and is scheduled to visit Qingdao, Yantai, Guangzhou and Shanghai.

XINHUA has learned that the purpose of the visit is to provide the delegation with more knowledge concerning China's policies of reform and opening to the outside world, as well as on the status and functions of trade unions in China.

CUT, which has 12,000,000 members, is the largest trade union in Brazil.

The delegation will leave Shanghai and return home on April 27.

NPC, CPPCC

Anhui's Lu Rongjing on Achieving Prosperity

OW1204215991 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 6 Apr 91

[Report on interview with Lu Rongjing, deputy to the National People's Congress (NPC) and secretary of the Anhui Provincial Party Committee, by RENMIN RIBAO reporter Shen Xingeng and station reporter Hua Yuan in Beijing during recent NPC session: "How a Major Agricultural Province Achieves Moderate Prosperity"; from the "Provincial Hookup" program]

[Text] In his straightforward answer to the question of how does a major agricultural province achieve moderate prosperity, Lu Rongjing said: We will be able to maintain agriculture's status as the foundation, optimize economic structure, increase economic quality, promote sustained and coordinated economic development, and ensure the fulfillment of the goal of moderate prosperity by the end of this century only if we vigorously develop industries and gradually increase their ratio in the economy while maintaining steady growth in agriculture.

Deputy Lu Rongjing then expounded on his opinions, formed after a very lengthy period of deep thought. He said: Agriculture and industry are interdependent. The former is the basis. If we fail to emphasize agriculture, our industries will lose their support, and our society will be unstable. If we fail to vigorously promote industries—especially those which support agriculture, process agricultural and sideline products, or are related to energy, raw, and semifinished materials—it will be hard to strengthen agriculture's status as the foundation. Agricultural funds come principally from industries. Industrial profits and taxes contribute to more than 80 percent of our province's revenue. Improvement of labor quality and progress throughout society depend on industrial development.

Deputy Lu Rongjing then briefed the reporters on the industrial boom and agricultural prosperity of Chuxian Prefecture, which was the first to implement the agricultural output responsibility system. He said: Following agricultural development after the implementation of the all-round contract system, the poor agrarian prefecture's industries took off, and a group of enterprises and products, which are rather well-known nationwide, emerged. In 1990, industrial production value at or above the township level in the prefecture was 4.1 billion yuan, in terms of constant prices in 1980, or more than ten times that of 1978. The ratio between the industrial and agricultural production value changed from 3:7 to 7:3, and industry became a significant economic sector. Industrial development has lent favorable support to agriculture by continuously improving the latter's standards. Grain production grew for the 12th consecutive year; its total production in 1990 was twice that of 1978, while other agricultural and sideline products were more than double those of 1978. Chuxian Prefecture's

economy now shows steady growth, with steady agricultural development and thriving industries.

At this point, Lu Rongjing turned to Premier Li Peng's report and strongly underscored the sentence: "proportionate and coordinated development are the basis for sustained and steady development," and said with deep knowledge: Premier Li Peng's judgment is totally correct. Even traditional agricultural provinces must take into account coordinated development in industry and agriculture. If we develop agriculture for the sake of agriculture alone, it will be difficult to shake off the problem of low standards. We will improve overall economic standards and keep closely abreast with the great team of developed regions in leading a comfortable life if we vigorously develop industries, especially industries that support agriculture and process agricultural and sideline products, and accelerate the progress of rural industrialization while steadily developing agriculture.

Commenting on the prospect of industrial development in our province, Deputy Lu Rongjing briefed the reporters on the many favorable elements. He said: We have rather superior natural and geographic conditions, accessible communications, and fairly abundant natural resources. The production value of our agricultural and sideline products, such as grain and edible oil, as well as verified deposits of coal, iron, copper, sulphur, gold, silver, and limestone, rank among the top in the country. Of the province's nearly 140,000-sq km area, more than 80,000 sq km contain oil, gas fields, and wells. By undertaking effective efforts to promote sophisticated processing of agricultural and sideline products, we should be able to at least double agricultural production value and improve existing industrial foundations.

Lu Rongjing briefly explained his thoughts on future development, based on the general ideas in the Eighth Five-Year Plan and the 10-Year Program, industrial policies, and the distribution of productive forces, while keeping in line with Anhui's actual situation. He said emphatically: We should continue to expand agriculture, vigorously develop industries, and take the path of encouraging cities and townships to join ranks in opening up fully. We should continue to tailor our efforts to both international and domestic markets; utilize science and technology; focus on improving the production and quality of agricultural and sideline products and exploiting and transforming underground resources while reorganizing, transforming, and improving processing industries; vigorously develop all superior industries and products; promote growth in new industries; gradually rationalize the industrial structure; and head toward modernization.

Hubei Governor on Opening to Outside World

HK1404055191 Beijing RENMIN RIBAO in Chinese
6 Apr 91 p 4

["Dispatch" by reporters Jiang Yaping (5592 0068 1627) and Liao Tianliang (1675 1131 0081): "In Answer to

Chinese and Foreign Reporters' Questions, Guo Shuyan Says Hubei Will Open Wider to Outside World and Improve Its Investment Environment"]

[Text] Beijing, 5 Apr (RENMIN RIBAO)—Hubei Province Governor Guo Shuyan disclosed in Beijing today that the cooperative project between Motor Vehicle Plant No. 2 and Citroen Company of France to produce 300,000 sedans a year, that had been delayed, has been officially signed. Guo Shuyan also announced that the State Council has approved the establishment of an economic and technological development zone in Donghu, Wuhan and that the province had also set up an economic and technological development zone in Gedian, Ezhou.

At a news conference held by the press center of the "two sessions" today, Guo Shuyan stressed that to carry out the "Eighth Five-Year" Plan and 10-Year Program, it is necessary to make Hubei open wider to the outside world, to enhance the consciousness for opening up of the people of the whole province, especially the cadres at all levels, and to learn from the advanced provinces and municipalities in opening to the outside world. At the same time, it is essential to vigorously improve the soft and hard investment environments for foreign businessmen; to expedite the construction of Wuhan Tianhe International Airport, Wuhan Changjiang Highway Bridge, Huangshi Changjiang Highway Bridge, 90,000 program control telephone installations, hydroelectric power stations, and power plants; and to strive for the opening of the Chang Jiang channel and Hankou Port in the near future so foreign ships can sail and anchor there.

Guo Shuyan said that Hubei has four big advantages: 1) Resources are very rich on and under the ground; 2) the state has made large investments in the past several decades and a very large amount of state-owned assets is on hand; 3) there are many qualified scientific and technological workers and the number of institutions of higher learning, scientific research institutes, and scientific and technological workers is second only to Beijing and Shanghai, ranking third in the whole country; 4) the quality of the labor forces is comparatively high. In the future, we must give full play to the potential of these aspects and narrow the gap already widened between our province and coastal areas through reform and opening up.

Dwelling on the general guiding ideology for Hubei's economic development in the coming 10 years, Guo Shuyan said that it is imperative to do an especially good job in three aspects: 1) It is necessary to seriously readjust the industry mix, to step up the building of agriculture, basic industry, and projects for basic facilities, and to vigorously develop the tertiary industry; 2) it is essential to transform the existing enterprises with advanced technology and equipment and to develop high and new technology industries; 3) it is imperative to make correct arrangements for the productive forces and to vigorously push forward the rational division of work and regional coordinated economic development. It is planned that Hubei's gross national product will record

an average annual increase of 6.5 percent and be slightly higher than the national average level.

When reporters asked about the situation of "three kinds of foreign-funded" enterprises [Sino-foreign joint ventures, Sino-foreign contractual joint ventures, and wholly foreign-owned enterprises] in Hubei, Guo Shuyan said that although they have developed over the past few years, the gap between our province and advanced provinces and municipalities is very large, and some existing enterprises are not satisfactory and do not match the actual economic strength of Hubei Province. The provincial government has already decided to guarantee the supply of funds, materials, and energy to the "three kinds of foreign-funded" enterprises. Guo Shuyan welcomed investors at home and abroad to Hubei to choose suitable investment projects in different forms.

At the news conference, Guo Shuyan also answered reporters' questions about the Three Gorges project.

Deputies Discuss State, Township Enterprises

OW1004012991 Beijing Domestic Service
in Mandarin 2230 GMT 8 Apr 91

[Roundup entitled: "Let the Two Giants Walk Arm-in-Arm," by station reporter (Xu Chengzong); from the "News and Press Review" program]

[Text] There are a pair of inseparable partners on China's economic stage. One is the state-run large and medium-sized enterprises, and the other is the village and town enterprises. During the two sessions of the National People's Congress and the Chinese People's Political Consultative Conference, some deputies closely likened the 12,000 state-run large and medium-sized enterprises throughout the country to the main arteries of a human body, and 18.2 million village and town enterprises to the capillaries that spread over the body. The state, as an entire body, cannot do without any of them. What is necessary is that the two types of enterprises supplement each other with their respective advantages and develop in coordination.

This remark hits the nail on the head. According to statistics, 58 percent of the country's total industrial output value, and 60 percent of profits and taxes are achieved by state-run large and medium-sized enterprises. They are the strongest pillars of the republic's economic mansion. Not to be outdone, village and town enterprises have made significant contributions toward the country's total industrial output value. These contributions should not go unrecognized. The two economic giants' feats and positions should not be doubted. In actual life, however, there are discords between them. For example, one complains that the other has gained all the preferential treatment given by the state, whereas the other condemns its counterpart for undermining its foundation, vying for the market, and competing with bigger enterprises. It is heartening to see that they are gradually gaining a clearer view: Promoting their strong points, hiding their weaknesses, and supplementing each other with their respective advantages, are the best ways for

seeking their own development. In fact, many enterprises have done so. Deputy (Zhang Zhenqi), manager of a large paper mill in Jiaxing City, Zhejiang Province, said:

[Begin (Zhang) recording] To speak fairly, there are some problems with village and town enterprises. However, these enterprises have some points worth emulating. For instance, they do not rely on the state and are more competitive. They are truly responsible for their own profits or losses, and have a very good control and operational mechanism. Enterprise cadres are not guaranteed a life tenure, nor are workers and staff members guaranteed lifelong jobs. [end recording]

How about the views of village and town enterprises? Deputy (Yang Zhimin), head of (Tianzhou) Town in Wuxi City, Jiangsu Province, said that before coming to Beijing for the session, he inspected some of the state-run large and medium-sized enterprises in Wuxi City and widened his horizons. He said that for one thing, if the same kinds of equipment are introduced, we cannot master the methods of operation and develop a certain scale of production. Moreover, they are faster gaining information than we are. Their burdens are heavier than ours, but they still try to collect funds by every possible means for long-term planning under very difficult conditions. These remarks indicate the following truth: State-run large and medium-sized enterprises, and village and town enterprises are not a contradictory pair, but partners that can cooperate with each other. In many places, village and town enterprises have become indispensable links in the state-run industry's mass production chain. Many village and town enterprises are even members with decisive functions in large enterprise groups.

Regarding the way state-run large and medium-sized enterprises, and village and town enterprises supplement each other with their advantages, deputies and members have different opinions, including some brilliant ones. Deputy (Sun Huaqing) from Shandong maintained:

[Begin (Sun) recording] I am of the opinion that the correct thinking should be the two types of enterprises supplementing each other with their own advantages, adhering to a correct direction, working in concert, and seeking advancement. State-run large and medium-sized enterprises should exploit their strong superiorities in production; gradually tap the international market; and develop high-grade, precision, and advanced products. They should let rural enterprises manufacture middle- and low-grade products, as well as the products of rough processing; or they should form economic associations with rural enterprises. The two can become one and co-exist. In this way, not only will the overall quality of village and town enterprises be raised, but the development of large and medium-sized enterprises will be further promoted, as well. [end recording]

We have every reason to expect state-run large and medium-sized enterprises, and village and town enterprises to work hand-in-hand in an effort to effectively implement the grand Eighth Five-Year Plan.

Political & Social

Li Peng Meets Self-Employed Workers

OW1604142891 Beijing XINHUA Domestic Service in Chinese 1102 GMT 16 Apr 91

[By Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391) and XINHUA reporter Zou Aiguo (6760 1947 0948)]

[Text] Beijing, 16 Apr (XINHUA)—Premier Li Peng met representatives attending the second national congress of self-employed workers and the second national meeting to commend advanced self-employed workers this afternoon in the Great Hall of the People.

Li Peng said: The Outline of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development, which was adopted by the just ended Fourth Session of the Seventh National People's Congress, unfolded a magnificent blueprint for our country. The coming decade is an important period of development for our country. The state economy, collective economy, private economy, and individual economy should all play their respective roles.

In his address Li Peng said that the current congress and meeting will be of great significance for further promoting the development of the individual and private economy. He extended cordial regards to all on behalf of the State Council.

Li Peng said: China's individual and private economy rapidly developed following the Third Plenary Session of the 11th CPC Central Committee because we implemented the reform and open policy and upheld the ownership structure that makes socialist public ownership the main form of ownership while allowing the various forms of economic sectors to exist side by side. There are now more than 20 million individual self-employed workers throughout the country. The development of the individual and private economy promoted production, enlivened circulation, expanded the avenue of employment, increased state revenues, and satisfied fairly well the people's needs in various aspects of life. Practice proved that our policy of encouraging various sectors of the economy is correct. The individual and private economy is, indeed, the necessary and useful supplement of the socialist public ownership economy. The party and government fully affirm the positive role played by the individual self-employed workers in China's economic construction.

Li Peng pointed out: Earlier, there were various public comments on the development of the individual and private economy. Therefore, some individual self-employed workers began to have doubts and misgivings and worried that the current policies will change. I think there is no need to worry. Development of the individual and private economy within the scope prescribed by the laws of the state was written into the Constitution—China's major basic law. Moreover, the "outline"

adopted by the Fourth Session of the Seventh National People's Congress, which ended recently, also systematically summarized the 12 major principles that must be adhered to so that socialism is built with Chinese characteristics. One of them is adhering to the ownership structure that makes socialist public ownership the main form of ownership while allowing various forms of economic sectors to exist side by side; giving play to the useful role of the individual and private economy and other economic sectors in supplementing the public ownership economy; and correctly managing and guiding them correctly. This shows that development of the ownership structure that allows the various forms of economic sectors to exist side by side is one of the main contents of building socialism with Chinese characteristics; it is a long-term policy, not a contingency plan. The masses of individual self-employed workers should clear their mind of doubt, feel at ease, and operate their businesses within the framework of the law.

Li Peng said: Of course, it is necessary to note that acts of violating the laws and regulations and negative factors still exist among the individual self-employed workers and private enterprises. The masses's reaction to this has also attracted the attention of society. The existence of these problems affected the image of the individual self-employed workers as a whole and is also not conducive to the sound development of the individual and private economy. I hope that the individual self-employed workers will enhance their concept through self-respect, enhance their concept of law, love the motherland, love socialism, stress professional ethics, operate businesses within the framework of law, pay taxes according to regulations, and consciously accept supervision and control. He said: I particularly hope that the individual self-employed workers who were commended this time will maintain their honor and use their exemplary actions to influence and guide other individual self-employed workers to achieve prosperity through hard work. Associations of individual self-employed workers at all levels should give better play to their role as the bridge in linking the party and government with the masses of individual self-employed workers. Common efforts from various sources will promote the sound development of the individual and private economy and enable the individual self-employed workers to foster a good image in society and win the support and understanding of the people of the whole country.

Li Peng wished that the individual self-employed workers throughout the country will improve and expand their operations and make new contributions to realizing the second-step strategic objective.

Vice Premier Tian Jiyun, State Councillors Wang Bingqian and Li Guixian, and Secretary General of the State Council Luo Gan were present when Li Peng met with the representatives.

Job-Seekers Number 6.48 Million

HK1604012891 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0813 GMT 13 Apr 91

[Report: "6.48 Million in Mainland China Seek Own Jobs"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 13 Apr (ZHONGGUO TONGXUN SHE)—The number of people seeking jobs on their own has kept growing in Mainland China. According to the Ministry of Labor's statistics, 6.48 million people nationwide have sought their own jobs.

The expansion of this populace is keenly felt especially in provinces where the commodity economy is comparatively more developed. In Guangdong, those seeking their own jobs numbered half a million in 1989. In Sichuan, Liaoning, and Anhui, the populace exceeded 360,000 each.

A sample survey of some provinces and cities showed that among the rural populace seeking their own jobs, the age bracket between 16 and 25 accounted for 26 percent, with the bulk of them high school graduates; the age bracket between 26 and 60 accounted for 74 percent, including professionals, and others who had left state-run and collective enterprises for various reasons.

The expansion of the populace seeking their own jobs means a disintegration of the traditional employment forms. A Chinese Academy of Social Sciences social survey showed that presently the order of many people's job options are: individual household, specialized individual household, joint-venture worker, state-run enterprise worker, and collective enterprise worker. We may say that this phenomenon is foretelling the major changes in China's employment forms.

It was learned that the coming five years are the employment peak in Mainland China, with approximately 11 million people seeking jobs every year, while the state is capable of making work arrangements for around 7 million. Job distribution by seeking one's own job is especially imperative in areas of high job-awaiting rate such as remote border, mining, forestry, and war industry areas and countrysides along the railway.

Song Ping, Wang Zhen at Food Exhibition

OW1504181891 Beijing XINHUA in English
1457 GMT 15 Apr 91

[Text] Beijing, April 15 (XINHUA)—Song Ping, member of the Standing Committee of the Political Bureau of the Central Committee of the Chinese Communist Party, Vice-President Wang Zhen and Vice-Premier Tian Jiyun visited the National "Shopping Basket" Program Exhibition and Technology Fair in Beijing this evening.

The officials viewed exhibits including meat, fowl and eggs, as well as aquatic products and fresh vegetables produced by the "Shopping Basket" projects. The

projects are government funded non-staple food production centers established to ensure urban food supplies.

They expressed their belief that the experiences of the projects should be summarized and popularized as part of an effort to increase production of non-staple foods and ensure the urban food supply.

China initiated the five year "Shopping Basket" program in 1989. The goal of the 14 billion yuan program is to establish central and local production centers for non-staple foods, as well as scientific and technological development projects, centers to develop of fine strain seeds, breeding farms, feed processing mills and other service facilities.

The program will enable over 100 million urban citizens in 67 large and medium-sized cities throughout China to have an annual per-capita supply of 72 kilograms of meat, 21 kg of aquatic products, and enough fresh vegetables the year round.

Song Jian Inspects Jinggangshan, Hunan Province

OW1704061791 Beijing XINHUA Domestic Service in Chinese 0740 GMT 16 Apr 91

[By reporter Liu Chunxian (0491 2504 6343)]

[Text] Changsha, 16 Apr (XINHUA)—While inspecting the Jinggangshan area recently, Song Jian, state councillor and minister of the State Science and Technology Commission, said: The State Science and Technology Commission has decided to send a science and technology group to work in Jinggangshan, and help the people here develop the economy, shake off poverty, and become well-off through the use of science and technology.

While speaking on how to do a good job in supporting poor people in the Jinggangshan area with science and technology, Song Jian made four suggestions: First, develop a commodity economy, using science and technology. Each year, a large quantity of major scientific and technological results and patents are produced throughout the country. The State Science and Technology Commission will ask universities and scientific research institutes to contribute to the efforts of supporting the poverty-stricken areas with science and technology by popularizing their research results. Second, select correct projects, develop key products, and raise success rates. There should be appropriate focus on the development projects undertaken. Third, Jinggangshan area should open its doors to attract outside talents, funds, and technology. Some development projects should be open to bidding tendered from all parts of the country. Fourth, learn how to make use of loans and make them contribute to economic prosperity in Jinggangshan.

Song Jian also stressed: Past experiences have proven that "Heaven does not help those who do not help themselves." The key to economic development in the Jinggangshan area still depends on local leaders at all levels, and on the masses of people. They should learn to be independent and self-reliant.

Chen Junsheng Cuts Ribbon for Vegetable Fair

OW1504003991 Beijing XINHUA Domestic Service in Chinese 0719 GMT 14 Apr 91

[By trainee reporter Chen Zaizhi (7115 0375 3112)]

[Text] Beijing, 14 Apr (XINHUA)—Along with the continuous deepening of reform, people have shifted their attention from supply to the quality of "vegetables" in their "vegetable basket." An exhibition to display this big change and exchange the technique achieved under the "vegetable basket" project was opened at the Beijing Agricultural Exhibition Hall today.

Cosponsored by the Agriculture Ministry and the China Association for Science and Technology, the exhibition displays the fruitful results achieved by some cities, scientific research institutions, military units, and enterprises from 24 provinces, municipalities, and autonomous regions.

State Councilor Chen Junsheng cut the ribbon for the exhibition. Wan Hanbin, Liu Zhongyi, and Gao Zhenning, as well as officials from the State Council's Policy Research Office and Development and Research Center, the State Science and Technology Commission, the Ministry of Commerce, and the Agricultural Bank of China, attended the opening ceremony.

Conservatives 'Bowed' to Openness Trend

HK1704032791 Hong Kong SOUTH CHINA MORNING POST in English 17 Apr 91 p 8

[by Willy Wo-lap Lam]

[Text] Conservative elders and ideologues have bowed to the trend of openness that has prevailed since the National People's Congress and made statements supportive of reform and "thought liberation".

In a meeting commemorating the 40th anniversary of Mao Zedong's call to "let a hundred flowers bloom", Marxist ideologues undertook to further develop the liberal tradition.

Well-known participants in the event, which was organised by the Propaganda Department and the Culture Ministry, included leftist patriarch Mr Deng Liqun, Acting Culture Minister Mr He Jingzhi and veteran playwright Zhao Xun.

They sang the praises of the early Mao's instructions that policy for art and culture must be based on the principles "let a hundred flowers bloom" and "reject the old and ring in the new".

For the Vice-Culture Minister, Mr Chen Changben, Mao's main goal was the "free competition among various formats, styles, schools and methods of creation".

The Deputy Director of the Artistic Bureau of the Propaganda Department, Mr Cheng Zhiwei, said the state must continue to "render socialist arts and culture prosperous".

He said that there was no contradiction between the "hundred flowers" goal and the more traditional ideal of "arts in the service of socialism and of the people".

Chinese analysts say this is the first time that mainstream ideologues have endorsed the liberal tradition of the party.

Previously, only the liberal Politburo member, Mr Li Ruihuan, had lobbied for a liberal and tolerant cultural policy.

The analysts warn, however, that taking the cue from the Great Helmsman, today's ideologues may also be using gradiose statements about artistic and ideological freedom to mask the urge for authoritarian control.

At the same time, venerable elders, including the Vice-President Mr Wang Zhen and Vice-Chairman of the Central Advisory Commission Mr Bo Yibo, have taken part in public functions and underscored their support for economic development and reform.

Accompanied by Politburo members Mr Song Ping and Mr Tian Jiyun, Mr Wang toured a "national shopping basket" exhibition, which showcased the latest agricultural advances.

The Chinese press said yesterday that the three "expressed their belief that the experiences of the projects should be popularised to increase production of non-staple foods and ensure the urban food supply".

And in a speech honouring labourers in the private sector, Mr Bo saluted the contributions made by the individual and private economies.

The former vice-premier said that being a "necessary and beneficial supplement" to the public sector, private businesses would continue to flourish.

"The party elders seem to be supporting senior leader Mr Deng Xiaoping's call for ushering in a second wave of reform," a Chinese source said.

"However, their monopoly of the media limelight goes against another instruction of Deng, that the octogearians step aside as soon as possible".

National Discipline Inspection Conference Opens

SK1604073091 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 15 Apr 91

[Excerpts] The national discipline inspection work conference, sponsored by the discipline inspection commission of the CPC Central Committee, opened at Jinan Nanjiao Guesthouse on 15 April.

The main subjects discussed at the conference involve summing up work experiences according to the general requirements of the new age, the new situation, and the new tasks; and studying and arranging the work tasks in the foreseeable future such as how to focus on the basic line of the party to strengthen the improvement of party style and

administrative honesty, to achieve the discipline inspection work, and to ensure a smooth implementation of the 10-year program for the national economic and social development and the Eighth Five-Year Plan.

Wang Deying, deputy secretary and concurrently secretary general of the discipline inspection commission of the CPC Central Committee, chaired the conference. Chen Zuolin, deputy secretary of the discipline inspection commission of the CPC Central Committee, made a report entitled "Unswervingly Implement the Basic Line of the Party, and Strengthen the Improvement of Party Style and Administrative Honesty." [passage omitted]

Li Zhengting, deputy secretary of the discipline inspection commission of the CPC Central Committee, made a report entitled "Enforce Party Discipline And Strengthen the Inspection of Cases." [passage omitted]

At the conference, Jiang Chunyun, secretary of the Shandong Provincial CPC Committee, introduced to the conference participants the province's major work situation over the past years.

He said: The convocation of the conference in Shandong gives us an extremely good opportunity to learn something and is of significance to vigorously promoting and spurring on our work. We should modestly emulate the good experiences gained by the brotherly provinces, municipalities, and regions so as to promote Shandong's discipline inspection work and other work to a new level.

Present at the conference were Guo Linxiang, Liu Liying, Cao Qingze, and Chen Dazhi, Standing Committee members of the Central Discipline Inspection Commission; and responsible persons of the discipline inspection departments of various provinces, autonomous regions, municipalities, and various central departments and commissions. Zhao Zhihao, deputy secretary of the Shandong Provincial CPC Committee and governor of the provincial government; and Ma Zhongcai, deputy secretary of the provincial party committee, attended the conference.

Enforcement Breakthroughs Noted

OW1704101991 Beijing XINHUA Domestic Service
in Chinese 1214 GMT 15 Apr 91

["Chen Zuolin said: There Have Been New Breakthroughs in Enforcing Discipline and Handling Cases by Discipline Inspection Organs Throughout the Country; by reporters Cheng Deyuan (4453 1795 3293) and He Ping (0149 1627)"]—XINHUA headline]

[Text] Jinan, 15 Apr (XINHUA)—The latest statistical data show that new progress was made by party discipline inspection organs throughout the country in being strict with party members, in enforcing rigorous discipline, and in investigating and handling cases of violation of discipline within the party. According to statistics, in 1989 and 1990 more than 400,000 cases were

investigated, and about 90 percent of them were prosecuted. More than 328,000 party members were punished, 72,000 of whom were expelled from the party. Of the party cadres who were punished, 8,091 were cadres of the rank at and above the county and regimental level.

Speaking in this connection at a national meeting on discipline inspection work, which was held here today, Chen Zuolin, deputy secretary of the Discipline Inspection Commission of the CPC Central Committee, pointed out that the number of cases of violation of discipline investigated and handled and the high number of prosecuted cases in the past two years indicate that there have been new breakthroughs in enforcing discipline and handling cases by discipline inspection organs.

The central topic to be discussed at the meeting, convened by the Discipline Inspection Commission of the CPC Central Committee, is to sum up, in accordance with the general requirements of the new period and new situation, the work, exchange experiences, study and make arrangements for ways to focus on the party's basic line, improve party work style and ensure a clean government, and upgrade discipline inspection work in the days to come, to ensure the smooth implementation of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development.

In his report Chen Zuolin pointed out: Since the Fourth Plenary Session of the 13th CPC Central Committee, the party Central Committee with Comrade Jiang Zemin as the nucleus, adhered to the party's basic line of "one center, two basic points," made Marxism-Leninism and Mao Zedong Thought the guiding principle, paid attention to and strengthened the efforts to improve party work style and ensure a clean government, carried out the work of opposing corruption and promoting honesty as a strategic task, adopted a series of important measures, and achieved notable results. A good situation where the whole party is trying to improve party work style and ensure a clean and honest government has taken shape.

Chen Zuolin pointed out: We must under no circumstances overestimate the achievements made in improving party work style and ensuring a clean government. We must correctly understand the situation regarding the improvement of party work style and promotion of a clean government and distinguish between the main stream and the tributary and between the achievements and the problems. Neither should we be satisfied with the status quo and blindly optimistic nor should we be lacking in confidence and be dispirited and pessimistic. We should make sustained and redoubled efforts, make good use of the favorable opportunity to improve the party work style and build a clean government, bring our subjective initiative into full play, and do our discipline inspection work well.

In his report Chen Zuolin stressed: As discipline inspection work is an important part of party building, we must ensure the implementation of the party's basic line and

be subordinate to and serve economic construction—the central task. He pointed out that implementation of the 10-Year Program and the Eighth Five-year Plan is not only a major economic problem, but also a major political problem. Discipline inspection organs at all levels should promptly organize discipline inspection cadres to conscientiously study and implement the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee and the Fourth Session of the Seventh National People's Congress, and make discipline inspection work an important force for improving party work style, ensuring a clean government, and promoting economic construction.

Chen Zuolin said: We should grasp our current work in various fields firmly, constantly, and perseveringly to improve party work style and build a clean government; we should uphold principles, eliminate interference, pluck up spirit, dare to handle tough problems, attach importance to ideological education, and strengthen the building of systems. He called on discipline inspection workers to adapt themselves to the needs of the new situation, raise their political quality and professional standard, and strive to build themselves into a discipline inspection contingent with a strong party spirit, good work style, and good quality.

At today's meeting, Li Zhengting, deputy secretary of the Central Discipline Inspection Commission of the Central Committee, also delivered a report entitled "Enforce Strict Party Discipline, Strengthen the Work of Investigating Cases."

Attending the meeting were Wang Deying, deputy secretary of the Discipline Inspection Commission of the Central Committee; Guo Linxiang, Liu Liying, Cao Qingze, and Chen Dazhi, members of the commission's Standing Committee; Jiang Chunyun, secretary of the Shandong provincial party committee; Shangdong Governor Zhao Zhihao; and responsible persons of the discipline inspection departments of various provinces, cities, autonomous regions, and central departments and commissions.

Chen Yeping Work on Party Building Studied

HK0804024191 Beijing RENMIN RIBAO in Chinese
27 Mar 91 p 5

[Article by Zhou Daren (0719 1129 0088): "Aspirations of a Veteran Communist: Studying Comrade Chen Yeping's Work *Several Questions on Party Building in the New Period*"]

[Text] Recently the Hubei People's Publishing House published Comrade Chen Yeping's work *Several Questions on Party Building in the New Period*.

Most of Comrade Yeping's articles were written in the period before the Fourth Plenary Session of the 13th CPC Central Committee, when bourgeois liberalization was rampant. At that time, party building faced many difficulties because the former general secretary had neglected it and relaxed the struggle against bourgeois liberalization. As a

result a bias cropped up in the party. Ideological, organizational, and style impurities emerged, the party's reputation diminished, its image was ruined, and it faced a severe test. Comrade Yeping, a veteran Communist Party member engaged in the party's organizational work, was worried about all of this. Therefore he made speeches and wrote articles urging increasing party building efforts, protecting the party's reputation, and upholding party leadership. This expressed the wishes of this veteran Communist Party member. In the preface to this book, Comrade Yeping said: "How can a veteran Communist Party member remain apathetic toward the emergence of principled problems in the party? At one time I was worried and felt ill at ease. 'Those who understood me said I was care-laden, those who did not understand me asked me why I should bother.' Particularly in the last three or four years, I have become more aware of the seriousness of these problems. So on several occasions I have aired my views on some problems, and also written articles to express my depression and fulfill the duties of a party member." These remarks by Comrade Yeping also revealed the wishes of other genuine Communist Party members.

Several Questions on Party Building in the New Period profoundly probes and explains important questions concerning party building, such as the party's nature, the aim, the mass line, democratic centralism, organizational build-up, and, particularly, leadership. This is of great importance to us in strengthening our theoretical study of party building and providing practical guidance for this study.

During the period when bourgeois liberalization was spreading rampantly, obstinate bourgeois liberalization advocates openly disseminated remarks negating party leadership, propagating the practice of the multiparty system in China, and trying to abolish party leadership. In view of this ideological trend, Comrade Yeping explicitly pointed out in a speech at the Central Party School in May 1987: "We must justly and boldly uphold the leading position and role of the Communist Party of China." He added: "Historical experience suggests that communists should justly and boldly uphold party leadership." He put it this way: 1) The crux of adhering to the four cardinal principles is upholding party leadership. The four cardinal principles are our fundamental principles in building the party and the country, and in administering the party and the country. Each of these principles must be upheld. But we should not forget that the first point in adhering to the four cardinal principles is upholding party leadership. 2) Upholding party leadership means upholding the ruling position of the party. It is extremely wrong in theory to say that political structural reform means changing the ruling position of the CPC, and this is extremely dangerous in practice. 3) Upholding party leadership was a choice made by the Chinese people in the historical process of struggle for liberation and happiness. 4) In upholding party leadership, we should believe that our party has the ability to lead the country's modernization. 5) In upholding party leadership, we should understand the party in an overall

manner from a fundamental angle. After profoundly explaining the need to justly and boldly uphold the leading position and role of the party, he pointed out: Since the founding of the PRC, there have been three debates on the question of who should exercise leadership over China's socialist construction. The first was in 1957. The second was during the Cultural Revolution, where Lin Biao and the "Gang of Four" instigated "kicking out party committees to create a revolution." The third took place when the party proposed reforming the party and state leadership system, where a small number of bourgeois liberalization advocates stirred up trouble everywhere to negate the four cardinal principles and party leadership. Comrade Yeping said: "As a matter of fact, this is a class struggle." Communist Party members should maintain a high degree of vigilance on this fundamental issue. Comrade Yeping's remarks expressed his firm and clear-cut stand and served as serious blows for bourgeois liberalization advocates.

In upholding party leadership, we should strengthen party building; in strengthening party building, we should first stress ideological building. Strengthening the ideological building of the party was the creative development of Comrade Mao Zedong for Marxist theory on party building. This is an important guarantee for and the basic experience in preserving the vanguard role of the working class and constantly improving its combat worthiness. Keeping this point firmly in mind, the party can easily solve its organizational and style building. In an article entitled "Strengthening the Party's Ideological Building is an Urgent Task," Comrade Yeping pointed out: "Ideological building is the basis of party building. Giving priority to ideological building is an important principle of Marxist theory on party building. This is determined by the nature of the CPC." He pointed out ideological building is the basis and precondition for the party's political, organizational, and style building. If the party relaxes or gives up its ideological building and deviates from Marxist guidance, it will not have a correct ideological line or formulate and carry out a correct political and organizational line, nor will it be able to uphold or carry forward the party's fine tradition and style. After reviewing the party's history, Comrade Yeping pointed out: Mistakes in party line that occurred on several occasions in history were, in the final analysis, caused by the deviation from Marxism. Without unanimity on the basis of Marxism, the party cannot reach unanimity politically, organizationally, or in action. Such a party will be lax and incompetent, will not be able to play a vanguard role, and will even end in destruction. Placing ideological building in the forefront is a law governing party building.

In the new period of socialist modernization, the CPC has stood new tests. Party members support the line, principles, and policies formulated since the Third Plenary Session of the 11th CPC Central Committee; adhere to the four cardinal principles; uphold the policy of reform and opening up; stand in the forefront of socialist modernization; and serve the people wholeheartedly. These are the main aspects of the party. We

should understand that there is also serious ideological confusion in the party on some major issues. Some people doubt the superiority of the socialist system, admire the capitalist system, and waver in their belief; some suspect the scientific nature of Marxism-Leninism-Mao Zedong Thought and think that Marxism-Leninism is outdated; some doubt the correctness of serving the people wholeheartedly and speak highly of Western individualism and are fond of money worshipping; and some people's mentality about the party has weakened and their sense of organization and discipline has also decreased. After analyzing the cause of this ideological confusion, Comrade Yeping pointed out: "Ideological confusion in the party has resulted mainly from a lack of theoretical teaching and effective ideological guidance. There is also a sharp struggle between two ideological systems." This sharp ideological struggle is a struggle between Marxism-Leninism-Mao Zedong Thought and anti-Marxism-Leninism-Mao Zedong Thought, a struggle between the communist world outlook and the bourgeois world outlook, and a struggle between proletarian and bourgeois ideologies. Comrade Yeping added: In the course of this intense struggle, the party's position and basic views have faced a serious challenge. In strengthening the party's ideological building, we should take this actual situation into account, formulate a correct line, and not have a confused idea about this struggle or evade it. We should resolutely persist in and develop the Marxist ideological system, firmly oppose the bourgeois ideological system, and resolutely remove erroneous tendencies concerning the party's ideological guidance.

Strengthening the party's ideological building is a long-term task. In Comrade Yeping's opinion, first, it is necessary to strengthen the study of Marxism-Leninism-Mao Zedong Thought. Without study, nothing can be accomplished. Second, it is necessary to carry out education in the party's basic line and basic knowledge. Through education in basic theory, basic line, and basic knowledge, the Marxist-Leninist-Mao Zedong Thought level of party members will be improved so that they will stick to their faith in communist ideals, strengthen their mentality of serving the people wholeheartedly, increase their party spirit, improve their style, resolutely carry out the party's democratic centralism, and strengthen their sense of organization and discipline. Third, it is necessary to inherit and carry forward the party's fine tradition. With regard to some prominent problems in real life, he stressed the need to make great efforts for the establishment of three habits: The habit of maintaining close ties with the masses so as not to isolate the ruling party from the people; the habit of running an honest administration to maintain close ties with the people; and the habit of doing things through hard struggle to permanently preserve our militancy and vitality. These should be observed in the course of strengthening the party's ideological building.

Historical and practical experiences have proved that it is very important to ensure that party and state leadership remains in the hands of people who are loyal to

Marxism. This has a direct bearing on the prosperity or decline of the party and the state. As a veteran organizational minister, Comrade Yeping provided profound and overall explanations on this.

It is necessary to have a good grasp of the demand for cadres to be morally and professionally qualified, and to select and use cadres properly. This is the fundamental principle for building the cadres contingent. Following changes in the party's political tasks during different historical periods, the requirement for cadres to be morally and professionally qualified should also be improved. The CPC Central Committee has proposed that the cadres contingent should be more revolutionary, younger in average age, better educated, and more professionally competent. This is the development of the principle for being morally and professionally qualified. Morality for the present period mainly finds expression in adhering to the four cardinal principles, in firmly implementing the line, principles, and policies laid down since the Third Plenary Session of the 11th CPC Central Committee, and in serving the people wholeheartedly. Being professional means being competent in work, having both vocational knowledge and organizational talent, being able to adapt oneself to requirements in the new period, and being able to correctly solve problems. In applying this criterion and selecting cadres for use, the following two problems should also be resolved: One is firmly establishing dialectical materialism to prevent one-sidedness in treating cadres; and the other is correctly understanding the relation between morality, professionalism, and qualifications so as to break away from the old convention of promotion by seniority. Comrade Yeping's views are quite instructive.

On building the party cadres contingent, Comrade Yeping pointed out: First, there is a need to seriously study Marxist theory. Veteran, middle-aged, and young cadres should study Marxist theory. Without studying the basic theory of Marxism, it is difficult to proceed with one's work in a more principled and systematic way or to improve one's farsightedness and creativity, still less is it possible to carry forward our cause or develop Marxist theory. Second, there is a need to consciously adhere to the party's four cardinal principles, to use these principles to guide the implementation of detailed policies, and to frequently consider how to ensure the materialization of these principles by means of implementing detailed policies. Third, the principle of democratic centralism should be strictly observed and the sense of organization and discipline should be strengthened. In fulfilling our tasks, there is a need to strictly abide by the principle of democratic centralism, to fully develop democracy, and to solicit different opinions. Major issues should be fully discussed before a decision is made, to prevent bureaucratism, commandism, and arbitrary judgments. It is necessary to maintain a high degree of political unanimity with the CPC Central Committee. Fourth, it is necessary to develop the party's fine tradition and style. This is an important guarantee for exercising good leadership and fulfilling our historical mission.

It is necessary to strengthen our training in party spirit to improve party members' political quality. This is another fundamental issue in party building during the new period. Comrade Yeping pointed out that party spirit is the highest form of expression in human nature; it is the distillation of class nature. Viewed from the angle of the party, the principle of party spirit must remain unchanged; if it changes, our party could lose the nature of being a proletarian vanguard and could thus lose the value and significance of its existence. Viewed from the angle of party members, they must not weaken their mentality about party spirit, nor should they forget this spirit. Otherwise, they will degenerate and will not be entitled to party membership.

Our party demands that every party member have a strong sense of party spirit. This is a very high criterion. It includes ideological, political, professional, style, organizational, and discipline requirements. In view of the characteristics of the new period, Comrade Yeping pointed out that party members should strengthen their party spirit cultivation at least in the following aspects: First, they should uphold Marxism-Leninism-Mao Zedong Thought and stick to the ideological line of seeking truth from facts. Second, they should hold firm to the party's principle of ultimately realizing communism, solidly set up the lofty ideal of communism, and foster a firm faith that communism will triumph. Third, they should persist in the party's principle of serving the people wholeheartedly, uphold the principle that the interests of the party and the people are higher than everything else, and consciously overcome individualism. Fourth, they should abide by the party's principle of democratic centralism and its discipline and overcome liberalism. Fifth, they should bear in mind that the masses are the creators of history, work for the masses, rely on them, and remember the principle of from the masses to the masses. Sixth, they should remember that the party's unity is the party's life and should protect the party's unity and unanimity.

Comrade Yeping pointed out that cultivation of the party spirit relies mainly on being conscious, on practice, and on unremitting efforts. Therefore he stressed these three points: First, it is necessary to strengthen party spirit cultivation in the course of studying Marxist theory. Some party members have a weak mentality about party spirit and engage in malpractice. A fundamental reason is that they do not study Marxist theory and violate the basic principles of Marxism. Second, it is necessary to strengthen party spirit cultivation in the course of socialist modernization and reform; in the course of transforming their world outlook, they should consciously transform themselves in accordance with the spirit of the proletarian party so that they are equipped with the fine quality of proletarian vanguards. Third, they should strengthen party spirit cultivation in the course of improving inner-party life and conducting criticism and self-criticism. Comrade Yeping pointed out that while stressing the importance of being conscious in carrying out party spirit cultivation, party members also require training and education provided by party organizations as well as the help of other comrades.

NPC Vice Chairmen Hail Judiciary Dictionary

OW1104001191 Beijing XINHUA Domestic Service
in Chinese 0855 GMT 10 Apr 91

[By RENMIN RIBAO reporter Yuan Jianda (5913 1696 6671) and XINHUA reporter Sun Benyao (1327 2609 1031)]

[Text] The *Chinese Judiciary Dictionary*, a voluminous legal lexicographical work, is published today.

Lei Jiqiong and Wang Hanbin, vice chairmen of the NPC Standing Committee; Ma Wenrui, vice chairman of the CPPCC National Committee; some NPC deputies engaging in judicial work in provinces and cities; responsible persons of departments concerned; and experts, scholars, and professors in legal circles were present at the discussion meeting on publishing the *Chinese Judiciary Dictionary* held at the Great Hall of the People today. They acclaimed the publication of this thesaurus and hoped that China's socialist legal system would be perfected as soon as possible.

The *Chinese Judiciary Dictionary*, with Jiang Ping, member of the NPC Standing Committee and vice chairman of the NPC Law Committee, as its chief editor, is divided into seven parts: The Comprehensive, Criminal Judiciary, Civil Judiciary, Economic Judiciary, Administrative Judiciary, Judiciary Concerning Foreign Affairs or Foreign Nationals, and Judiciary in Ancient Times. Its contents include more than 8,000 entries concerning criminal law, criminal procedure law, civil law, civil procedure law, marriage law, inheritance law, economic law, and administrative law. The choices of entries in this dictionary are mainly based on those often seen and used in China's judicial practice. In addition to explaining the meaning of each term briefly and to the point, the dictionary pays particular attention to invoking the standard interpretations of the laws, rules, and regulations and expounds how to correctly solve the knotty problems people face in their practice.

Supported by the relevant leaders of the Supreme People's Court, the Supreme People's Procuratorate, the Ministry of Public Security, and the Legislation Bureau of the State Council, this dictionary is compiled by experts, scholars, and professors in legal circles and published by the Jilin People's Publishing House.

Dictionary on Leaders' Works To Be Published

OW1704081091 Beijing XINHUA in English
0557 GMT 17 Apr 91

[Text] Beijing, April 17 (XINHUA)—A dictionary on the works of Chairman Mao Zedong, Premier Zhou Enlai, President Liu Shaoqi, General Zhu De, Deng Xiaoping and Chen Yun will be published in June of this year, marking the 70th anniversary of the founding of the Communist Party of China (CPC), according to today's GUANGMING DAILY.

The dictionary, published by the Liaoning People's Publishing House, is compiled by nearly 300 scholars on Mao Zedong Thought. These scholars are from the Party School, the Party History Research Center, the Party Literature Research Center of the CPC Central Committee and other related departments.

It contains about 4.5 million words with nearly 10,000 headings from selected works of the above older generation of Chinese leaders. It consists of eight parts, including party organization, conferences, documents, big events, theory and figures.

Dalian Party Leader Notes Reform Progress

*HK1504023791 Beijing RENMIN RIBAO in Chinese
6 Apr 91 p 5*

[Article by Bi Xizhen (3968 6932 2823), secretary of Dalian City CPC Committee: "Opening Up Still Wider to Outside World by Adhering to Socialism"]

[Text] The "Proposal of the CPC Central Committee on the Formulation of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development" adopted by the Seventh Plenary Session of the 13th CPC Central Committee reiterated: The key to implementing fully the party's principles and policies for building socialism with Chinese characteristics lies in continuing firmly to carry out reform and opening up. Our nation's practice over the past more than 10 years has shown that it is completely correct to include reform and opening up in the party's basic line for the initial stage of socialism

Opening up to the outside world is also reform. As a coastal city, Dalian began to open up to the outside world in 1984. Since then, and particularly in the period of the Seventh Five-Year Plan, tremendous changes have occurred. The city fulfilled the first-phase strategic objective in socialist modernization two years ahead of the schedule. An important point in our experience is that we have benefited from reform and opening up. Opening up promoted the improvement of the investment environment, accelerated the technical transformation of the enterprises, increased our ability to participate in international economic cooperation, and ensured the sustained and stable development of our economic and social undertakings. In five years, this city made substantial progress in developing an outwardly oriented economy, made substantial achievements in increasing exports, attracting foreign investment, and carrying out foreign economic and technical cooperation, and formed the pattern of full-scale opening. In five years, the amount of foreign exchange earned from the export of this city's products multiplied nearly three times; the value of exported industrial products accounted for 20.8 percent of the city's total industrial output; and the export capacity of agricultural production, undertaking of overseas construction contracts, and the export of labor services also increased and developed. Substantial progress was also made in the fields of conducting

scientific, technical, and cultural exchanges, overseas studies, importing intelligence resources, developing tourism, and building up friendly ties with foreign cities. Since 1987, we have successfully held four export commodities fairs attended by the northeast provinces and Inner Mongolian Autonomous Region, and the volume of transactions concluded in the fairs increased every year. The Dalian Economic and Technical Development Zone has completed construction tasks in the initial area, and a number of export-oriented enterprises of comparatively high technology have achieved rather good economic results in the zone. The economy of the development zone has moved onto the path of self-improvement and self-development, making it a major "window" for the opening-up of the northeast provinces and the eastern part of Inner Mongolia, and enabling them more effectively to attract foreign capital and import advanced technology and scientific management skills.

A more gratifying fact is that opening up has brought about a change in the mentality of cadres and ordinary people, and has brought up and trained more knowledgeable and skilled people. After the opening of the nation's door, through the increasingly frequent foreign economic and cultural exchanges and foreign trade activities, our people have broadened their vision, noticed the gap between our country and the developed Western countries in some aspects of science and technology, and increased the sense of urgency in pursuing socialist modernization. In the practice of opening up, our people have increased their ability, strengthened the sense of the socialist commodity economy and the sense of reform and opening up, gradually formed a new atmosphere of laying stress on efficiency and fair competition and respecting knowledge and people of learning. A large number of technical and management personnel with socialist consciousness and new knowledge have emerged. At the same time, through the tremendous changes brought about by reform and opening up, our people have more deeply realized the superiority of the socialist system and held to a firmer conviction of socialism.

Through recalling the course of reform and opening up in Dalian, we feel deeply that socialist modernization construction cannot do without reform and opening up, while reform and opening up cannot do without adhering to the socialist orientation.

First, It Is Necessary to Proceed From Our Existing Foundation and Increase Our Self-Reliance Capacity While Using Foreign Capital and Importing Foreign Technology, Equipment, and Management Experience

Ours is a large socialist developing country, and we need to expand our foreign economic and technical exchanges and make use of foreign funds and technologies through opening up. However, this must be done on the basis of independence, self-reliance, and hard work, and must serve the purpose of developing our national economy, strengthening our nation's status and competitive power in the world economy, and accelerating the process of modernization in our country. We must not act in a way advocated by those who pursue bourgeois liberalization.

That is, we must not rely completely on the West and copy the Western economic system in our country. In the course of opening up, Dalian City has always carefully adhered to this principle, taking it as an important point in adhering to the socialist orientation. We have also sought harmony between importation of foreign things and adherence to the principle of self-reliance and hard work in the practice of opening up.

One, attaching importance to the construction of basic industries and infrastructural facilities, thus laying a solid foundation for the development of the national economy as a whole and accumulating sufficient momentum for sustained development. The condition of basic industries and infrastructural facilities is a major criterion for measuring the economic strength of a country or a region, because it plays a major role in facilitating or constraining economic development as a whole. In the initial stage of reform and opening up, the condition of basic industries and infrastructural facilities in Dalian City lagged behind, and there was an imbalance between this sector and the manufacturing industry. There was a shortage of water and electricity; foreign ships were kept in the harbor due to delays in loading and unloading; cargo could not be transported on time; and communication was not efficient. All this seriously impeded the city's industrial development. The shortage of water and electricity alone made nearly 20 percent of production capacity lay idle. In view of this situation, we decided to combine the introduction of foreign capital and technology with adjustment of the local industrial structure and to tightly control the orientation of foreign investments by restraining construction of commercial, tourist, and other non-productive projects and reducing projects in the manufacturing sector. Stress was laid on increasing investment in basic industries and infrastructural facilities. Through several years' efforts, we completed the second-phase project of "diverting water from Biliu He to Dalian," thus increasing the city's daily water supply capacity by 144.8 percent; built the Huaneng Dalian Power Plant, the Beihaitou Power Plant, and the Development Zone Power Plant with a total generating capacity of 762,000 kilowatts, thus greatly increasing the city's electricity supply capacity and basically satisfying the need for electric power; rebuilt and expanded the Dalian Harbor by building a new bulk freight terminal and a new container terminal in Xianglujiao and a new coal terminal in Shangdao, thus increasing the city's port handling capacity by 23.3 percent. The Dayaowan harbor facilities, one of the state's key construction projects, are still under construction. We also expanded the Zhoushuizi Airport; built the grade separation in Xianglujiao and the Dalian section of the Shenyang-Dalian Express Highway; renovated some highway and railway lines; and twice introduced program-controlled telephone exchangers to facilitate Dalian's transportation and communication links with the external world. At the same time, a number of petrochemical, metallurgical, and building-material enterprises were newly built or renovated. All this fundamentally changed the backward

condition of the city's basic industries and infrastructure, and laid a solid foundation for the further development of Dalian's economy.

Two, intensively carrying out technological transformation in large and medium state-owned enterprises, developing the strength of the public economy, ensuring its leading and dominant role, and bringing rural industry into the international market. Public ownership of the means of production is an essential characteristic of the socialist system. Through construction and accumulation over a long time after the founding of the PRC, we have formed the public economic foundation with large and medium enterprises as the backbone. As compared with developed nations, the technological condition and equipment of this foundation remain rather backward. However, these enterprises still constitute the basic footing and backing for our modernization construction and for the development of the outwardly oriented economy. When making use of foreign capital and introducing foreign technology, we need to lay stress on raising our capacity for self-reliance. To achieve this purpose, we must intensively carry out technological transformation in large and medium enterprises, upgrade their technology and equipment, increase their ability to upgrade and develop products, and push them into the international market. Dalian is one of the old coastal industrial bases, and there are nearly 200 large and medium enterprises in this city. A considerable number of these enterprises play a leading role in their industries, and they can be regarded as "national treasures." Since 1984, through using foreign capital and introducing key technology and equipment, we have raised a total of \$593 million to conduct technological transformation in more than 40 percent of the large and medium enterprises. To overcome the shortage of funds for this, we also encouraged foreign investors to run more joint ventures (or cooperation enterprises) able to utilize the existing capacity of the large and medium enterprises and thus promote their technological transformation. The main form was the running of "grafting enterprises," with Chinese partners providing a corner of a workshop, or an entire workshop, or an entire enterprise, and the foreign partners providing technology and equipment or providing funds for purchasing key technology and equipment from abroad to carry out technological transformation on the basis of existing enterprises. Economic benefit from the development of the enterprise is shared between the two sides. For foreign investors, this method may yield quicker returns and shorten the investment period as compared with building new plants. So it is rather attractive. So far, 156 "grafting enterprises" have been set up in Dalian, and the foreign investment involved totals \$310 million; 115 of these enterprises have started operation or have been conducting trial production.

The level of technology and equipment of large and medium enterprises has been greatly raised through transformation; major products have been upgraded; product quality has been enhanced steadily; and the

export of products has steadily increased. These enterprises have become the main force in the development of the outwardly oriented economy, and have brought along a large number of township and town enterprises to form enterprise groups for producing export products and entering the international market. At present, there are 739 township and town enterprises in the whole city engaged in processing parts for export products; 22 of these enterprises produce an annual output value of more than 10 million yuan. Last year, in rather difficult conditions, Dalian's industrial production still grew by 6.8 percent. An important reason for this was that a large number of enterprises enhanced product quality, developed new products, and entered the international market through technological transformation. This increased the room for maneuver in overcoming difficulties.

Three, actively digesting and absorbing imported technology, and increasing the comprehensive results of using foreign capital and imported technology. Importing technology itself is not our purpose. Our purpose is to begin from a higher starting point and to strengthen our ability for independent development. So we overcame the tendency to lay stress on hardware while neglecting software and on using imported technology in production while neglecting the work of digesting and absorbing imported technology. Through strengthening management and giving policy guidance, we combined the importation of advanced technology with enterprise technological transformation and new product development, and effected integrated procedures of "importing—digesting and absorbing—producing on our own." Before importing key technology and equipment, departments in charge first organized the enterprises' research and design units to formulate plans for importing, digesting and absorbing, and producing on our own. The target responsibility system for digesting and absorbing imported technology was adopted, and suitable forms of digesting and absorbing imported technology were selected to ensure the smooth advance of this work. By the end of last year, we had digested and absorbed 144 out of the 168 software technologies imported in the period of the Seventh Five-Year Plan, developed 2,747 new products, designed and built 118 types of equipment and production lines and 5,939 sets of equipment. The accumulated amount of import substitution reached \$610 million.

Four, not only learning from advanced foreign experience but also summing up our own experience, respecting the master status of the working class, and making effort to explore the modern enterprise management mechanisms with Chinese characteristics. Learning from advanced foreign experience serves the purpose of enriching and perfecting our scientific management, so we must not mechanically copy the foreign practice. Ours is a socialist country. The broad masses of workers are producers and are also management participators and enterprise masters. Relying on the working class wholeheartedly and raising workers' initiative and ability to participate in enterprise management is the fundamental guarantee for running enterprises

successfully. Before reform and opening up, we had accumulated certain enterprise management experience, still valid and effective at present. Relying on the working class, respecting their creativity and initiative, learning from other nations' strong points to make up for our shortcomings on the basis of summing up our own experience, forming and perfecting our own management systems and methods is the starting point and final purpose in learning from advanced foreign management experience.

In the course of implementing the State Council's "Decision on Several Issues with Regard to Strengthening Management over Industrial Enterprises," Dalian City guided enterprises to work out effective means and methods to strengthen ideological and organizational management in line with actual conditions and modern standards by relying on the entire working masses. Enterprises were prompted to examine their shortcomings, formulate measures, and raise enterprise quality and management level. The advanced experience of the Dalian Shipyard was introduced to all enterprises. City authorities also called for "basing modern management on the high degree of political consciousness of the workers and on the mass line." The enterprise management level in the whole city was thus raised to a new stage. At present, there are nine first-class enterprises and 90 second-class enterprises named by the state in Dalian.

Second, Opening Should Serve Social Stability and Coordinated Development and Lead to Common Affluence

Poverty is not socialism. The affluence of a small number of people and the poverty of most people also cannot constitute socialism. Only common affluence of all people is the objective of socialism. After opening up, because the original basis, geographic position, and other factors, gaps in economic development between various localities obviously widened. Due to the reform of the labor and employment system, such issues as the livelihood of people who are waiting for jobs and pension arrangements for private enterprise employees and peasants need to be solved effectively. Beginning in 1986, Dalian City did some work in this respect in connection with the implementation of the Seventh Five-Year Plan. Although some problems still exist, initial results have been achieved.

One, adhering to the principle of urban and rural economic integrated development, grasping the two ends to bring along the middle in seeking common affluence. Dalian as a whole is an open coastal city, but economic development in the four subordinate counties (cities) and three suburban districts is uneven. After opening up, the economies in the city and the suburban areas developed rapidly. However, the western area of Wafangdian and the northern mountainous areas of Xinjin and Zhuanghe are originally poor in their economic foundation. They are far away from the city, and their transportation and communications systems are not good. This made it difficult for these areas to benefit from opening up, and their economic growth was slower than in urban areas. Some townships (towns) and villages remained in

a poor condition, and the per capita income there was lower than 200 yuan. The city party committee and government were determined to change the situation when there remained a wide gap between different areas in economic development by adhering to the principle of urban and rural integrated economic development. Effective measures were adopted to give play to the leading role of the city, and the city's radiating and attracting forces and comprehensive service functions were used to strengthen ties between cities and the countryside and to promote the rural economy and economic development in backward areas. The main measures were as follows: 1) Adopting various forms of urban and rural economic associations, giving play to the city's advantages of having a solid foundation of large industry and full branches of industrial production and the city's role as a "window" for opening up to promote the development of rural industry, thus forming a huge support network for producing parts for the urban large enterprises in the broad countryside. The development of rural industry could promote the development of the rural economy as a whole. 2) Laying stress on developing rural fair markets, promoting "vegetable production projects," cultivating urban and rural markets, building up economic ties between urban and rural areas, facilitating the reasonable movement of urban and rural production factors, and advancing adjustment of the rural production structure and the process of industrialization in the countryside. 3) Building small towns, increasing the dynamism and capacity of the commodity economy in counties and towns, gradually bringing about systematic effects as the city promoted the county, the county promoted the town, and the town promoted the village. The number of small rural towns in Dalian increased from 16 in 1979 to 75 at present, and 71 towns have a population of over 10,000 people. In some counties, small towns have developed to a considerable size. 4) Grasping the two ends to bring along the middle and promoting the comprehensive development of the rural economy. The two ends refer to the suburban areas with rather rapid economic development and the northern mountainous areas which were comparatively backward in economic development. When guiding urban and rural economic development, we mainly gave play to the role of suburban areas as nonstaple food production bases. Suburban areas provided services for urban residents, and directly participated in the city's division of work by significantly developing tertiary industry. The further development of the suburban economy expanded the radiating force of the city in the countryside, and also played an exemplary and guiding role in development of the backward mountainous areas. A large quantity of surplus labor force was also absorbed by new suburban industry. When guiding economic construction in the mountainous areas, we also laid stress on giving play to the city's advantages, mobilized all forces in society, and unfolded large-scale activities of supporting poor areas in all departments.

In 1986, the city party committee and government put forward the objective of "shaking off poverty in three

years and getting rich in five years," and organized 22 commissions, offices, and bureaus of the city and more than 230 enterprises to undertake contracts for supporting specified townships (towns) and villages. This ensured the effective assistance to the 18 poor townships (towns) and more than 200 poor villages. This first aim was to help people there acquire sufficient food and clothing through the offering of financial and material assistance and the organization of labor export. Then, "blood transfusion" was changed into the combination of "blood transfusion" and "blood making." Equipment, technology, and funds were offered to help the poor areas to develop local resources, the commodity economy, and export-oriented farming production. Industrial enterprises and orchards were built to increase income. Not only material assistance was given, but also assistance in other forms. In particular, people there were encouraged to set up lofty aspirations and overcome ignorance. Education was developed, and medical services were improved. The quality of the peasants' life was thus raised. The city party committee and government also laid down favorable policies for joint ventures run by urban enterprises and rural economic entities, and encouraged urban enterprises to shift the activities of supporting poor villages into running economic associations with rural economic entities on a voluntary and mutually beneficial basis. All these measures tapped the potential vigor of poor areas, developed the labor and natural resources, and effectively promoted production development there. Last year, the per capita income in 18 poor townships (towns) increased to 547 yuan from 158 yuan in 1985. The problem of food and clothing was basically solved. However, relative affluence and poverty still exist. As long as there remains substantial differences in the level of economic development, the work of assisting the poor must not be stopped. The aim of pursuing urban and rural economic integration is to realize common affluence.

Two, actively exploring and gradually improving a social security system with Chinese characteristics. This is an important mark of modern society, and is also a major measure for promoting the reform of the labor and employment system, promoting family planning, and maintaining social stability. Beginning in 1986, Dalian City carried out pilot projects in establishing job insurance and pension systems and introduced these systems to more institutions. At present, all workers in state-owned enterprises participate in the job insurance plan. Various pension systems were established according to different forms of ownership and according to different labor and employment systems. Among permanent workers in urban enterprises owned by the whole people and by collectives, the pension program was financed jointly by the state, the collective, and the individual according to a reasonable ratio, and over 98 percent of workers have joined the pension program. Workers in enterprises with foreign capital, temporary workers, and

workers hired by private enterprises mainly pay premiums themselves with collective subsidies as a supplement; and private business proprietors and self-employed people pay all the premiums themselves when joining the pension program. In this sector, over 90 percent of workers have joined. Among peasants, through repeated comparisons and studies, we have also adopted a rural pension program in most areas. In this pension program, premiums are mainly paid by individuals and are also supported by collective subsidies.

In view of the "unfair distribution" of wealth in society, Dalian City also adopted measures for positively and prudently adjusting labor income in the course of economic rectification and in-depth reform, thus protecting legitimate, restricting excessive, and banning illicit incomes.

Third, Consistently Promoting Both Material and Spiritual Civilization at the Same Time in the Course of Opening Up in Light of the Objective Requirements of Building Socialism with Chinese Characteristics

Our opening up has unfolded under the historical condition of the prolonged coexistence and struggle between the two social systems in the contemporary world. Through opening up, we shall expand our foreign economic, technical, and cultural exchanges, and absorb capital, technology, and good culture from other nations to accelerate our socialist modernization construction. However, hostile international bourgeois forces try to effect infiltration and evolution in our country by making use of the opportunity of our opening up. Their attempts gave rise to the response of the bourgeois liberalization trend in our country. Their aim was to effect "wholesale Westernization" in our economic and political systems, thus turning our nation into a vessel of the Western world. Therefore, in the course of opening up, there inevitably existed complicated struggle. Historical conditions determine that our opening up must be based on adherence to the fundamental interests of socialism and must be accompanied with ideological defenses. In the practice of opening up, we must fully and correctly understand and implement the line of "one center, two basic points." The more opening up is expanded, the more we should attach importance to the building of socialist spiritual civilization. We must not have one hand tough and another hand soft.

In the period of the Seventh Five-Year Plan, while consistently advancing the practice of opening up, we also persevered in building socialist spiritual civilization under the guidance of Marxism-Leninism-Mao Zedong Thought. This guaranteed that our modernization construction and opening up always advanced healthily along the socialist course. Our main measures in this regard were as follows:

One, consciously including the building of spiritual civilization in economic and social development programs and ensuring the fulfillment of various tasks in spiritual civilization construction in grass-roots units. In five years, we successively formulated two two-year plans for building spiritual civilization in the whole city

and conducted education at different levels in the party's basic line, common ideal, patriotic spirit, hardworking style, current situation and tasks, trade ethics, and public morals. We paid special attention to strengthening moral education for children and young people. In the whole city, the mass activities of "improving the investment environment and service quality, enhancing work efficiency the level of civilization," and the mass activities of "emulating Lei Feng, establishing new public conduct, and making dedications" were unfolded. These activities inspired cadres and ordinary people, deepened their love of the party and socialist motherland, aroused their enthusiasm for making contributions to the four modernizations and the motherland's regeneration, and promoted the continuous enhancement of the people's morality and degree of civilization. In the whole city, an opinion environment, cultural condition, and social conduct favorable to opening up have basically taken shape.

Two, paying constant attention to the appearance of new problems to maintain social stability and development, using positive and negative cases to conduct education in party style and discipline, democracy, and the legal system, enhancing the consciousness of cadres and ordinary people in resisting the corrosive influence of the decadent bourgeois ideology and lifestyle. In the course of opening up, in view of the fact that the influence of the decadent capitalist ideology and the idea of money fetishism was spreading among some people, we gave prominence to ideological and moral construction, laid stress on guiding people to transform voluntarily their world view and outlook on life and consciously to criticize and resist various ideas of individualism and "egoism," thus preventing such evil ideas from prevailing. At the same time, the city party committee also explicitly put forward the principle of "firmly carrying out reform and opening up in economic work and firmly dealing blows against economic crimes." In intellectual and cultural fields, we opposed the idea of national nihilism advocating "wholesale Westernization" and completely negated the national traditional culture, and also guarded against the tendency to reject all external cultures. While taking resolute action to eliminate pornographic things and the "six evils," we also supported the absorption of the useful elements from external cultures to enrich and develop the cream of our national culture. In the aspect of party building, we adhered to the principle of strictly enforcing party discipline, and strengthened the construction of party style and discipline and clean government. Cases of violating political discipline, seeking private gain by abusing power, graft and taking bribes, serious bureaucratist behavior, dereliction of duty, losing human and national dignity, and degeneration were seriously investigated and handled without cease. Corrupt phenomena inside the party were seriously checked through punishments of those involved. Thus, party membership, cadres, and the masses stood up to the tests of reform, opening up, and the development of the commodity economy as well as the test of the political storm. Stability and unity in the whole society were successfully consolidated.

Three, consistently upholding the four cardinal principles, conducting education in carrying out struggle against bourgeois liberalization, and actually strengthening ideological and political work. Forceful and effective ideological and political work represents our party's special advantage over the past several decades, and is also a major means of building socialist spiritual civilization. In the course of reform, opening up, and developing the socialist commodity economy, when facing the complicated international situation, we particularly need to give play to this political advantage. In the past years, proceeding from Dalian's actual situation, we adopted positive measures and continuously removed various obstructions to keep the correct orientation of ideological and political work. After the Fourth Session of the 13th CPC Central Committee, we were soberly aware that our country's socialist modernization construction, reform, and opening up were conducted when the international bourgeoisie was stepping up the implementation of the "peaceful evolution" strategy. The struggle between subversion and anti-subversion, between infiltration and anti-infiltration, and between "peaceful evolution" and anti-"peaceful evolution" would inevitably be reflected in the course of reform and opening up. Some people who stubbornly stuck to the position of bourgeois liberalization in our country also made use of the opportunity of reform and opening up to challenge the leadership of the Communist Party and the socialist road and to disseminate bourgeois democracy, human rights theory, values, and decadent lifestyle. Therefore, upholding the four cardinal principles and conducting education in carrying out struggle against bourgeois liberalization is not only an important point in our efforts to strengthen and improve ideological and political work, but also a major guarantee for continuing to open up. After the turmoil and the revolt in 1989, we seriously summed up positive and negative experience, consistently conducted education in upholding the four cardinal principles and opposing bourgeois liberalization in the city and the countryside, strove to eliminate the evil influence of the ideological trend of bourgeois liberalization, further distinguished right from wrong, increased the people's ability to resist the corrosive influence of various erroneous ideas and their conviction of socialism, and strengthened their confidence in building socialism with Chinese characteristics.

Officials Detail Policies Toward Tibet

HK1504115491 Beijing RENMIN RIBAO in Chinese
6 Apr 91 p 4

[Report by Wang Hongwei (3769 1347 0251): "State Council's Foreign Experts Bureau Gives Lecture on Situation in Tibet"]

[Text] Beijing, 5 Apr (XINHUA)—This afternoon, the State Council's Foreign Experts Bureau gave a lecture on the situation in Tibet. Four Tibetan compatriots briefed the participating foreign experts on the history and current situation of Tibet and answered their questions. They are: Zhol Jyal [zhuo jia 0587 0502], vice minister of

the State Nationalities Affairs Commission; Yang Houdi, deputy director of the Political Law Department; Suolang Banjie, general secretary of the China Tibetan Research Center; and Doje, associate professor of the Central Institute of Nationalities.

Zhol Jyal said that the Tibetan nationality is a hard-working and wise nationality with a long history. Before the democratic reform, Tibet was under a feudal serf system and was backward in agricultural production, animal husbandry, and economic and cultural development. Social development and progress were seriously hindered. Before 1950, it had a population of less than 1 million. Since the peaceful liberation, the central people's government has adopted positive measures to help the local government train nationality cadres and promote economic and cultural development. According to the 1990 census, the population of the Tibetan region reached 2,196,000, of which 95.46 percent, or 2.09 million, were Tibetans. There were 81,200 Han people in the region, making up 3.7 percent. In addition, there were also people of other nationalities, including Monba, Lhoba, and Hui nationalities. At present, of the more than 5,300 cadres in this region, more than 3,700, or 66 percent, are Tibetans. The Tibetan cadres hold most major posts in the governments, people's congresses, and the people's political consultative conferences at various levels.

When some foreign experts asked questions about the self-exiled Dalai Lama and the attitude of the Chinese Government and people toward him, Zhol Jyal said: The Chinese Government and the Tibetan people as well welcome the Dalai Lama to come back. The Chinese Government has not changed its consistent policy toward the Dalai Lama; that is, we welcome him to end his self-exiled life and come back to the motherland, to contribute to the reunification of the motherland and the solidarity of nationalities, and to do something to benefit the prosperity and happiness of the Tibetan people. Provided the Dalai Lama gives up "independence of Tibet," the Chinese Government is willing to conduct dialogue with him.

When answering a question raised by foreign experts about the central government's special policies toward Tibet, Yang Houdi said: Apart from the same preferential treatments for various autonomous regions, the central government has also adopted a series of special policies and flexible measures for Tibet to speed up economic and cultural construction there. In agriculture and animal husbandry, the policies of "the land being used and managed independently by the Tibetan households" and "animals being raised and owned by the Tibetan households" are being implemented and will remain unchanged for a long time. No taxes are levied on Tibet's agriculture and animal husbandry, and the peasants and herdsmen there can freely engage in the buying and selling of their products. In industry and commerce, the policy of supporting nationality handicraft industry and encouraging the development of collectively and privately owned industrial and commercial enterprises is

being implemented. In foreign economic and trade relations, the state has also adopted special policies toward Tibet and provided it with some preferential treatments. The autonomous region has the authority to issue various export and import licenses, and all the foreign exchange it earns is retained by the region rather than being turned over to the central finance. The tax rate for Tibet's import and export goods is lower than the nation's unified tax rate. Family planning is a basic national policy of China. This policy is implemented flexibly in Tibet. Family is encouraged in towns and cities there. This is also the main reason why the Tibetan population has doubled over the past 40 years.

More than 100 foreign experts working in China attended today's lecture.

Economic Reform Requires Political Restructuring

HK1204053391 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 14, 8 Apr 91 p 2

["Letter From Beijing" by Bao Xin (7637 0207): "China Is Carrying Out Political Structural Reform Actively, Securely"]

[Text] My Elder Brother:

During the period of "the Fourth Sessions of the Seventh National People's Congress [NPC] and the Seventh Chinese People's Political Consultative Conference [CPPCC] this year, China is determined to continue pushing forward its reform on economic structure and expanding its opening up. This general trend has become the focus of overseas reporters who have come specially to cover the "two conferences."

Whether or not China will attain the second-stage strategic goal of socialist modernization, that is, to redouble the GNP, depends to a large extent on whether or not economic structural reform can achieve the desired success. Therefore, when working out a blueprint for social and economic development in the coming 10 and five years, we should, of course, map out a blueprint for economic restructuring at the same time. However, China's economic restructuring is not carried out in isolation, but goes in tandem with the reform of the political structure, and the two supplement each other. This means that when we are sketching a blueprint for economic structural reform in the coming 10 and five years, we are also working out one for political restructuring. The CPC Central Committee's "Proposal on Working out a 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development" and Li Peng's government work report at this NPC session have made a specific exposition of this point. The "Proposal" points out: "Political restructuring is the guarantee of the success of economic restructuring, and also an important component of the socialist cause of modernization construction. Aiming to attain the second-stage strategic goal, the "Proposal" calls for efforts to "carry out political structural reform actively and securely."

In fact, China has never slackened in its efforts in political restructuring. Let us put aside distant events; even after the political turbulence in late spring and early summer of 1989, reform on political structure was still carried out as usual. It is a pity that this was neglected by overseas opinion in the past. Now many reporters from overseas media come here specially to cover the "two sessions," old news has become fresh news for these reporters.

For instance, it has become a usual practice in China's political life that the CPC consults with all democratic parties and nonparty personnel on many state affairs. However, many people overseas do not even know the fact that there are eight major democratic parties in China, not to mention their role in China's socialist democratic politics. During the "two sessions," before personnel issues were open for discussion, such as the reelection of vice premiers, the responsible persons of the CPC Central Committee consulted with and solicited the opinions of democratic parties and nonparty personnel before they submitted proposals to the "two sessions" for processing in accordance with the legal procedures of the NPC and the Constitution of the CPPCC. This is a vivid embodiment of the system of multiparty cooperation and political consultation under the leadership of the Communist Party.

Related to this, progress has also been made on a constant basis in the work of selecting people from democratic parties as well as nonparty personnel to take up leading posts in governmental and judicial organs. A total of nine non-CPC persons are currently holding the posts of vice ministers in various ministries under the State Council and vice president of the Supreme People's Court; nine vice governors, vice municipal mayors, and vice chairmen of autonomous regional government; and eight vice mayors of cities listed in the state plan....

Governmental organs have conducted experiments on and implemented a civil service system with Chinese characteristics. As selected units, six departments under the State Council, such as the State Statistics Bureau, have gained important experience in experimenting with the civil service system over the past two years. Experimental work in this field has also been carried out in selected units under some local governments, including Harbin and Shenzhen. Meanwhile, centering on the buildings of the contingent of cadres and a clean government, some localities have also implemented a number of individual systems, such as employment through examination, assessment of technical proficiency, discipline, and avoidance. All these have helped accumulate experience for China to implement the civil service system throughout the country.

It should be clarified that the major content and general goal of China's political restructuring is, as said in the "Proposal," to "uphold and improve the people's congress system, and the system of multiparty cooperation and political consultation under the leadership of the Communist Party; establish and perfect democratic policymaking and supervisory procedures and systems; set

up a leading structure favorable to enhancing work efficiency and arousing enthusiasm of all sectors; and strive to build socialist democratic politics with the Chinese characteristics." It is clear that in order to attain such a goal, it is necessary to adopt a positive and, at the same time, steady and cautious attitude, and proceed in an orderly and incremental way on the basis of maintaining political and social stability.

[Signed] Bao Xin
[Dated] 3 March

Health Ministry To Improve Medical Ethics

HK1604095491 Beijing CHINA DAILY in English
16 Apr 91 p 3

[By staff reporter Zhu Baoxia]

[Text] The Ministry of Public Health plans to take steps to improve medical ethics this year, an official from the ministry said yesterday in Beijing.

Rectification will focus on service morality and quality, medical charges, administration of non-State-run medical units, and management of pharmaceutical units, Sun Longchun, vice-minister of Public Health announced at a national conference on medical rectification.

Sun urged that all medical units work out effective measures to crack down on power-abusive profiteering by medical staffs.

He warned that though progress has been achieved over the past three years, the ministry still receives many "complaining letters."

Some hospitals, especially clinics run by some collectives and individuals, tend to make profits through conducting an excessive number of B type ultrasonic and X-ray examinations and from over-charging patients.

Even worse, in some cases, the patients have to give doctors gifts and money if they want to be timely admitted to hospitals and receive better treatment.

According to Sun, since late 1988, the ministry has sent out many investigation and inspection groups to grass-roots medical units and institutes including some in Beijing, Jiangxi and Fujian.

Various measures are being taken to guarantee healthy implementation of the policies, such as to invite public inspections and setting up letter boxes and telephone hot lines.

In Shannxi Province, over 12,000 yuan was recovered from 292 bribery cases.

More than 130,000 prescriptions and 1,200 pharmaceutical receipts were checked in the province, and 359 untrue diagnosis certificates were detected.

Wuhan, capital city of Hubei Province, banned 42 substandard collective and individual clinics.

And Heilongjiang Province handled 476 power-abusive cases, all the 343 people involved were punished in line with Party and administrative disciplinary stipulations.

Symposium on Hepatitis, Aids Held in Beijing

OW1604062891 Beijing XINHUA in English
0608 GMT 16 Apr 91

[Text] Beijing, April 16 (XINHUA)—An international symposium on the hepatitis and aids viruses opened in Beijing Monday.

A total of 198 Chinese and foreign experts are attending the meeting.

During the four-day meeting, Chinese and foreign experts will present 140 papers and exchange experience in using Chinese traditional medicine and western medicine to prevent and cure hepatitis and aids.

Hepatitis is presently of greatest concern in China. The incidence of the infectious disease is 120 per 100,000 persons.

On the other hand, some 493 citizens in China are reported to be infected with the aids virus.

Education Stresses Party Rules, Regulations

HK1504152491 Beijing RENMIN RIBAO in Chinese
6 Apr 91 p 3

[Report by Ji Jiaoxuan (1323 2403 6513): "Education in Party's Rules, Regulations Conducted Thoroughly in Various Localities"]

[Text] Since last July, education on the party's rules and regulations has been conducted extensively and thoroughly in various localities. Initial successes have been achieved so far.

First, the popularization of the education on the party's rules and regulations has strengthened the sense of discipline among the broad ranks of party members and enhanced their consciousness in observing discipline. In the past, some party members violated party discipline due to lack of study and understanding of the party's rules, regulations, and discipline. Some remained in the dark even after receiving disciplinary action within the party. Through the current education on the party's rules and regulations, this situation has been somewhat reversed. Such phenomena as studying conscientiously, examining oneself on one's own accord, and offering to confess one's violation of discipline to party organizations and discipline inspection committees have emerged.

According to incomplete statistics, during the education on the party's rules and regulations, over 2,000 people examined themselves and made a clean breast of their problems on their own initiative in Hubei Province alone. On his own accord after the studies, a peasant CPC member in Xiantao City, Hubei Province, handed back 1,400 yuan of public money he had embezzled.

A deputy secretary of a rural party branch in Zhicheng City, Hubei Province, took graft worth more than 4,000 yuan of public money. When studying the regulations regarding punishment for economic offenses formulated by the Central Discipline Inspection Commission, he profoundly felt the severity of his mistake and, tossing about in bed, could not bring himself to sleep for the whole night. At daybreak the next morning, he took the embezzled money to the discipline inspection committee of his township and confessed how he had violated discipline.

After studying the party's rules and regulations, 64 cadres at the grass-roots level in Quanzhou County, Guangxi Zhuang Autonomous Region, returned on their own accord more than 4,000 square meters of land where they had planned to build houses for themselves to the city construction department for unified planning. In the course of studying the party's rules and regulations, a dozen party members and party member cadres in Jin County of Hebei Province returned on their own accord over 2,000 pieces of production means, worth more than 200,000 yuan, that had come into their hands when the output-related system of contracted responsibilities was installed.

Some of our comrades who received party disciplinary action used to think that discipline inspection committees had been deliberately hard on them and their punishment was wrong, so they kept appealing to higher authorities. Through the studies, they have come to understand that the actions taken by discipline inspection committees are correct and express that they are sincerely convinced and are willing to accept the disciplinary action and mend their ways.

The education on party rules and regulations has also strengthened policy consciousness of party committees and discipline inspection committees at various levels when enforcing discipline, and upgraded the professionalism of cadres. In this educational campaign, comrades in party committees and discipline inspection committees at various levels have taken the lead in the studies and in-depth discussions. It has not only strengthened their consciousness of discipline, but also helped them tremendously to have a better grasp of the criteria for measuring disciplinary action, to become more aware of the bounds of policies, and to be more competent in discipline enforcement.

Through the studies, many discipline inspection cadres deepened their knowledge and said: We used to be busy with daily affairs and only learned what we would use in the party's rules and regulations. This is our first time to sit down and study and comprehend them article by article in a systematic way. Because we failed to do enough study on some rules and regulations of the party in the past, we feared that we would make mistakes when handling some cases, especially difficult and complicated ones, and create new cases involving unjust, false, or wrong charges. When trying to determine the nature of a case, we tended to procrastinate with endless discussions, putting ourselves in a passive position. Now that we have cleared away ideological ambiguities and we are able to determine the nature of certain

cases that we were incapable of despite repeated studying, problems are quickly solved and the efficiency of case-handling is enhanced.

Political Education Symposium Ends in Shanghai

*OW1304214391 Shanghai City Service
in Mandarin 1000 GMT 12 Apr 91*

[Text] A five-day symposium held to examine results of education about the basic national situation and basic lines closed in Shanghai today. Over 150 propaganda cadres and ideological and political workers from enterprises in various parts of the country attended the meeting.

Xu Weicheng, executive deputy head of the Propaganda Department of the CPC Central Committee, gave an important speech at the meeting.

The Propaganda Department of the CPC Central Committee and other units stated in a circular issued in February 1990 that ideological and political education, especially education on the basic national situation and basic lines, should be conducted among workers of all enterprises. Since then, 40 percent of the nation's 130 million workers have received education on a rotational basis.

In Shanghai, propaganda cadres of the party committee in charge of industrial affairs have visited factories and enterprises to understand the workers' mental state and get a clear idea of hot issues they have classified into 19 categories. After discussing these issues, they used facts, past and present, to reason with the workers, correct their misconceptions, and kindle their passion. Most workers say that the education is effective, and the lecturers say that success should be attributed to the fact that, instead of avoiding the real issues, they have confronted them.

Addressing the symposium, Xu Weicheng, executive deputy head of the Propaganda Department of the CPC Central Committee, set forth some guidelines and projects to be accomplished in the future. He pointed out: Education on basic national situation and basic lines is essentially meant for preparing China's working class to shoulder the responsibilities of the country's leading class as well as the responsibilities of being the main force of socialist modernization.

He said: We should improve the effectiveness of education on the two basics, underscore actual results, and work hard to eradicate formalism and perfunctoriness.

He added: A contingent of mainstay theoretical workers should be trained from among the workers during the course of education. Current work should be combined with the study of the guidelines of the Seventh Plenary Session of the 13th CPC Central Committee, and the 10-Year Program for National Economic and Social Development and the Eighth Five-Year Plan adopted by the Fourth Session of the Seventh National People's Congress. Attention should be given to using modern

means [words indistinct] so that the educational projects can proceed in a more lively manner and achieve even greater success.

Middle School Program Revision Detailed

HK1704012591 Beijing RENMIN RIBAO in Chinese
12 Apr 91 p 5

["Dispatch" by reporter Wang Namei (3769 1226 2734): "State Education Commission Unveils Two Reform Measures for Senior Middle Schools: He Dongchang and Others Answer Reporters' Questions"]

[Text] The State Education Commission has instructed most of the provinces, autonomous regions, and municipalities under direct central authorities to begin implementing the State Education Commission's "Opinion on Readjusting Teaching Plans at Senior Middle Schools" (henceforth shortened to "readjustment opinion") and installing the senior middle school graduation examination system. On 9 April, the State Education Commission held a news conference to discuss these subjects.

The two reform measures were designed to fully implement the party's educational policies, lighten students' burdens, implement the senior middle school teaching plans, strengthen teaching administration, and overcome the current preference toward science over art subjects at senior middle schools so that students can improve their chances to develop their own interests and strong points on the basis of a sound and overall foundation, and strengthen their ability to adjust to social life and production. The reform measures will actively and profoundly influence our country's senior middle school education by further implementing the state educational policies and greatly improving teaching quality. Comrade He Dongchang and responsible persons of relevant State Education Commission departments elaborated and explained in great detail questions raised by reporters.

Questions: How does the "readjustment opinion" strengthen students' political and ideological education?

Answer: After the adjustments in the current senior middle school teaching plans, there will be a new subject of current affairs education, quite apart from the political subject, and history will have a new section on modern Chinese history; and students' social practice activity will become a formal subject. This will increase students' understanding of the national, provincial, and local situations and help make overall growth.

Question: What are the senior middle school graduation examination system's aims and their chief functions?

Answer: The senior middle school graduation examination system will fully implement the educational policy, strengthen teaching administration, push teaching reform, greatly increase teaching quality, and provide a correct direction to senior middle school teaching.

The setting up of the senior middle school graduation examination system will do much to improve senior middle college enrollment work. The graduation examination system is a state-recognized provincial-level senior middle school examination of secondary school subjects, a means to find out and appraise the senior middle schools' teaching quality, and an important means to find out if a student has acquired the basic requirements for compulsory subjects laid down by the teaching plans. As such, the graduation examination differs in nature from the college entrance examination. A student will get a general senior middle school certificate if he shows himself qualified in ideological and moral performance (including social practice), if he passes the secondary school subjects standards set by the student status administration, and if he passes the physical education standard. When the senior middle school examination system is in place, there will be fewer examination subjects.

Question: How do you determine the syllabus for the senior middle school graduation examination and standards for setting examination questions?

Answer: The examination will appear in two forms: tests and assessment. Subjects to be tested are Chinese language, mathematics, foreign language, politics, physics, chemistry, biology, history, and geography. Subjects to be assessed are labor skills and laboratory experiment skills in physics, chemistry, and biology. The schools themselves will conduct the physical education examinations in accordance with the teaching outline.

Provinces, autonomous regions, municipalities, and education departments (bureaus) must draft the examination syllabus and draw up standards on which the examination questions will be based, in accordance with the basic requirements of the teaching outlines of compulsory subjects, and take into account the practical conditions in local senior middle school teaching. Performance in compulsory subjects for senior middle school graduation must reach passing standards, while the college entrance examination will only test subjects related to students' specialties; this is to reduce the burden of the entrance examination for students and help remedy the "biased preference for certain subjects" among students.

Question: The "readjustment opinion" reduced the number of compulsory subjects and lowered the high teaching standards and academic demands, will this lower teaching quality?

Answer: The teaching plan before the readjustment was formulated exclusively for key senior middle schools and its curriculum structure was not entirely reasonable. For general senior middle schools its demands have been too high and the majority of students were unable to adjust to it. Heavy coursework loads for students are not advantageous for a full moral, intellectual, and physical growth. After the teaching plan is adjusted, on the basis of laying a full and sound foundation, students can

develop their own interests and strengthen their ability to adjust to life, which will help foster overall growth and raise students' overall quality.

Question: How will you reform the college entrance examination after the graduation examination goes into effect?

Answer: The college entrance examination will undergo two adjustments: First, lowering the difficulty of examination questions and second, while knowledge will continue to be the target of assessment, we will attach importance to assessing students' ability. Should there be a contradiction between students' ability assessment and lowering the difficulty, the latter will have the priority.

Question: How do you inspect and supervise the implementation of the "readjustment opinion" at this stage?

Answer: The "readjustment opinion," as a document of rules and regulations, will be implemented step by step throughout the country. Education supervisory organs in the provinces, autonomous regions, and municipalities under direct central authorities, where the "readjustment opinion" has gone into effect, should view the progress of the "readjustment opinion" as part of their supervisory work and use it as a performance index in their combined supervision and evaluation of school-work and education administrative departments at a lower level and, if necessary, organize manpower for special supervision and guidance. They must determine whether or not the departments are strictly enforcing the "readjustment opinion," determine what specific measures are adopted in the enforcement process, and pay attention to summing up good experiences. Supervisory organs and school superintendents have the right to demand schools and education administrative departments to remedy, by a deadline, those methods that violate educational policies and work against an overall improvement in educational quality; and periodically check their remedy's progress. They should report and criticize units refusing to correct their mistakes, and request the leading organs to administer, within their cadre administrative powers, corresponding administrative discipline against personnel directly in charge and responsible persons of such units. Supervisory organs and school superintendents should also promptly relay, to local education administrative departments or the State Education Commission, reasonable opinions forwarded by concerned units on implementing the "readjustment opinion."

Projects Focused on Improving Educational System

HK0604071691 Beijing CHINA DAILY in English
6 Apr 91 p 3

[By staff reporter Zhang Lin]

[Text] China's educational research institutes are to focus their efforts on a number of key projects in the coming few years that will have great implications for strategic decisions related to the development of the

country's educational system, an official from the State Education Commission told CHINA DAILY.

One of the key research topics is educational reform in the rural areas which is aimed at improving the quality of the rural workforce, according to the official.

Another point is the study of strategies for regional educational development in line with economic development, aimed at balancing the development of the educational system, the economy and society in China.

Priority will also be given to teaching experiments which hope to improve teaching efficiency and reduce the students' workload, the official said.

To improve the quality of the rural workforce, efforts will be made to explore the comprehensive reform of education at different levels to serve the local economic and social development and to help peasants improve their standard of living, the official said.

Investigations of rural educational conditions have been conducted and typical counties, towns and schools of different kinds have been selected as cases.

For example, the Central Institute of Educational Research has done an investigation in Wanxian County in Hebei Province and assisted the local authorities in working out plans for overall development of education in the county and specific tasks for different stages before the year 2,000.

Pilot programmes for the training of kindergarten teachers will be tried out in six counties in Hebei Province and are expected to turn out 120 local pre-school teachers.

The research on strategic development of the educational system in the Yellow River Delta, conducted by the city of Dongying, Shandong Province, is an integral part of the whole development plan.

Participants in the research projects include not only education experts but also people from the economics field.

Teaching experiments which began several years ago will be carried on in a bid to further improve teaching quality.

Experts believe the research on mathematical teaching will provide a basis for the compiling of a statistics table with Chinese characteristics.

The research is also expected to reveal some new ideas for the modification of the mathematical syllabus in primary schools, the official said.

Most of the country's medium-sized cities have their own education research institutes.

Statistics show that in addition to a large number of part-time researchers, the number of full-time research personnel at central and provincial research institutes for education has reached 15,000.

The number of full-time research institutions in China's universities has exceeded 3,000.

Furthermore, 120,000 people are engaged in teaching and research in university-level education programmes or research offices.

Compulsory Education Law Anniversary Marked

*OW1204180891 Beijing XINHUA in English
1633 GMT 12 Apr 91*

[Text] Beijing, April 12 (XINHUA)—China has made remarkable results in compulsory education since July 1986, when its law on nine-year compulsory education was issued.

To celebrate the fifth anniversary of the promulgation of the law, the State Education Commission held a forum at the Great Hall of the People here today.

Party and state leaders Li Tieying, Peng Chong, Chen Muhua, Lei Jieqiong and Wang Hanbin attended the forum.

It was learned that by 1990 some 1,459 counties in China had made primary education compulsory—76 percent of all the counties in China and an increase of 728 counties over 1985.

Meanwhile, 97.8 percent of school-age children in the country are in school, an increase of 1.9 percent over 1985.

In the past five years a multi-channel method to collect funds for compulsory education has been formed. In 1989 the average annual cost of educating a primary pupil and a middle school student were 91 yuan and 212 yuan, respectively—increases of 94 percent and 65 percent, respectively, over 1985.

The work to improve school conditions has also progressed rapidly. Statistics show that in the past five years the country has renovated about 200 million sq m of school buildings.

A system to train teachers for nine-year compulsory education has been set up. In 1990 China had 1,026 colleges for training primary school teachers, which turned out more than 200,000 teachers annually; 179 colleges train more than 120,000 junior middle school teachers annually.

However, there are still some problems in instituting nine-year compulsory education. Currently, one quarter of the counties in the country have not yet made primary education compulsory; the quality of teachers is not fully up to the needs of educational development; and teaching instruments, reference materials, and equipment for sports and recreational activities are in short supply.

At the forum, Li Tieying said that local governments should further improve regulations to implement the law on compulsory education, and should mobilize cadres and the masses to help institute nine-year compulsory education nationwide.

Many Disabled Benefit From Government Programs

*OW1504143491 Beijing XINHUA in English
1412 GMT 15 Apr 91*

[Text] Zhengzhou, April 15 (XINHUA)—Tens of thousands of Chinese citizens have recovered from disabling diseases in the past two years thanks to three programs implemented by the government.

Liu Jing, deputy general director of the Chinese Association for Handicapped, recently revealed a number of encouraging statistics to delegates attending a national meeting held to examine the three programs.

Liu said that successful operations have been performed on 423,000 cataract patients, 130,000 polio patients and some 10,000 deaf children.

The eight million people in China who suffer from one of the above mentioned diseases account for one-seventh of the country's 50 million handicapped persons.

In 1988, the Chinese Government launched three programs aimed at curing patients who suffered from these illnesses. The program approved by the State Council stipulated that operations would be performed on over 830,000 afflicted with such diseases.

Governments at all levels have established offices as part of the effort to guarantee the success of the program.

Liu noted that in the near future over a dozen African and Asian countries will send delegations to China to share their experience in this field.

Military

Article Views Role of Larger Military Budget

*HK1204012091 Hong Kong HONGKONG STANDARD
in English 12 Apr 91 p 10*

[By Alan Nip]

[Text] The continuing growth in the People's Liberation Army (PLA) budget marks a growing emphasis by Chinese leaders on military hardware.

Citing the need to enter the age of "hi-tech warfare", the PLA is asking the country to shoulder a 13 percent rise in defence spending.

The budget set military spending at 32.5 billion yuan (HK49.14 billion).

According to a report by the China-watching magazine THE NINETIES part of the increase would be used to pay for the country's first aircraft carrier, at a cost of 2.3 billion yuan.

The magazine also said the government would earmark at least three billion yuan every year for modernisation of weaponry.

This unprecedented emphasis on weaponry is a marked shift from "the people's war theory" advocated by Chairman Mao Zedong.

Mao, who put ideology on top of the army's priority list, believed that human beings were the decisive factor on the outcome of a war.

The theory proved effective during the anti-Japanese war and the civil war before the creation of the People's Republic in 1949.

Mao was able to win wars by mobilising his soldiers and citizens to devote themselves whole-heartedly to the cause of the country's "liberation".

Although China was able to manufacture its first atom bomb in the mid-1960s, Mao's theory was even then still the dominating principle of military strength.

However, that posture started to change in the late 1960s and 1970s when China suffered tremendous human losses during border clashes with the Soviet Union and Vietnam, which convinced Beijing that weaponry had developed and was the key factor in deciding wars.

The recent Gulf War has further impressed on China's military leaders that the "people's war" theory should make way for "the war of hi-tech".

During the Gulf conflict, some of the world's most advanced weapons systems were seen in use for the first time as the United States-led coalition forces unleashed its arsenal against Iraq.

Overwhelmed by the coalition's military superiority, Chinese leaders and generals have started to think twice on the planning of the country's defence strategies.

This shift can be seen in recent speeches by top leaders and generals, including Communist Party General Secretary Jiang Zemin, calling for updating weaponry.

Mr Jiang, who is also Central Military Commission chairman, has said China has to build a system for three-dimensional, high-tech and electronic warfare.

Although the party chief constantly stressed the lift in defence spending did not mean that weaponry topped the list of PLA priorities, analysts said this was meant only to calm fears about China's growing military build-up.

In internal discussions, Mr Jiang was quoted as saying: "The army has about three million soldiers. The defence expenditure is just about US\$4 billion. Under present circumstances, it is absolutely necessary to increase the funds."

According to the pro-Beijing WIDE ANGLE [KUANG CHIAO CHING] magazine, patriarch Deng Xiaoping, who had strongly advised against increasing defence spending in the past few years, supported this view.

In a group session at the NPC, General Liu Huaqing said the Gulf War showed that a strong military defence was the essential guarantee for state security and national interest.

General Liu, who is also vice-chairman of the party's Central Military Commission, said the Gulf War indicated sophisticated arms were becoming increasingly important.

On the same occasion, Defence Minister Qin Jiwei also advocated a bigger military budget.

"The Gulf War has indicated China's military equipment has lagged 20 years behind the developed countries," he said.

The use of the PLA to suppress the 1989 democracy protests in has also given the generals more budget ammunition. [sentence as published]

The June 4 crackdown and the collapse of socialism in Eastern Europe have convinced Chinese leaders a strong military force is necessary to quell internal challenges.

PLA Sets 'Stricter' Cadet Selection Standards

OW1704074391 Beijing XINHUA Domestic Service in Chinese 0533 GMT 16 Apr 91

[By reporter Jie Yanzhen (2263 5888 3791) and correspondent Tao Guangping (7118 1639 1627)]

[Text] Hangzhou, 16 Apr (XINHUA)—An all-army on-the-spot meeting on recruiting academy cadets was held in a unit stationed in Hangzhou recently. It was emphasized at the meeting that it is necessary to set stricter standards and unify the procedures for recruiting cadres in order to select really outstanding cadres to military academies.

The meeting was cosponsored by the General Staff and Political Departments of the People's Liberation Army [PLA]. It was pointed out at the meeting that the PLA has scored notable achievements since the introduction in 1980 of the system of commissioning grass-roots cadres after having them undergo training at military academies. In order to improve the quality of cadets, the Military Commission Headquarters has formulated and distributed a series of policies and regulations. In light of the reality in each unit, many units have explored a standard set of procedures and measures for selecting cadets and initially established a coordinated system for recruiting candidates, conducting strict, unified examination of military subjects and general knowledge, and reexamining cadres to be enrolled in military academies. During the meeting, representatives from all major PLA units exchanged experiences in further improving the unified selection procedures and ensuring the quality of enrollment.

PLA Leaders Urge Better Estate Management

OW1604194091 Beijing XINHUA Domestic Service in Chinese 1047 GMT 16 Apr 91

[By reporters Guo Diancheng (6753 3013 2052) and Yang Mingqing (2799 3046 7230)]

[Text] Dalian, 16 April (XINHUA)—People's Liberation Army [PLA] units generally have begun real estate checks and rectification work.

This is an important policy decision for improving management and enforcing army discipline made by the Central Military Commission. Its purpose is to correct departmentalist and individualist tendencies in use and management of real estate, improve centralized management, enhance overall maintenance of real estate, and further meet the needs of the army's revolutionization, modernization, and regularization.

Attaching great importance to this work, leading comrades of the Central Military Commission and PLA general departments have listened to relevant briefings and issued important instructions. Liu Huaqing and Yang Baibing, vice chairman and secretary general, respectively, of the Central Military Commission, emphasized: The current check and rectification is important work in army building. Although it is quite difficult, it can be done well as long as we remain resolute, follow a correct policy, and adopt effective and proper measures, particularly if leaders at all levels attach importance to the work and do it meticulously.

With the approval of the Central Military Commission, an all-army real estate check and rectification work meeting was held in Dalian recently. The meeting seriously implemented instructions issued by leaders of the Central Military Commission, exchanged experiences, and arranged tasks for all PLA units. Leading comrades of all major PLA units and the armed police force attended the meeting.

Zhao Nanqi, member of the Central Military Commission and head of the leading group for all-army real estate checks and rectification work, said at the meeting: We should unify the thinking of the whole PLA with the Central Military Commission's policy decision. We should have firm confidence in the success of the work, and adhere to the principle of checks and rectification, emphasizing the latter. He said: In real estate checks and rectification, the emphasis should be on rectification. Only when we do a good job in rectification can we solve existing problems and improve management.

Zhao Nanqi said: Improving the management of the PLA's real estate is a matter for both the army and society. In order to solve these problems completely, we must have energetic support and cooperation from the local governments and departments concerned. At present, it is quite common for some army cadres transferred to civilian jobs and some local cadres to live in army barracks. This practice affects army management and building. The understanding and support of the local governments and departments concerned are needed in order to solve the problem.

Xu Huizi, Li Jinai, and Liu Mingpu, deputy heads of the leading group for all-army real estate checks and rectification work, also attended and addressed the meeting.

Two-Support Conference Ends in Shijiazhuang

SK1604081891 Shijiazhuang Hebei Provincial Service in Mandarin 2200 GMT 15 Apr 91

[Excerpts] The two-day provincial conference on supporting the army and giving preferential treatment to families of servicemen and martyrs, and supporting the government and cherishing the people [the "two supports"] ended in the provincial capital of Shijiazhuang on 15 April. Comrades of the Ministry of Civil Affairs and the General Political Department and leading comrades of the Beijing Military Region came to the conference personally to give guidance. (Wang Fuyi), deputy political commissar of the Beijing Military Region, and leading comrades of the provincial party committee, the provincial government, and the provincial military district, including Xing Chongzhi, Cheng Weigao, Li Bingliang, Ye Liansong, Zhang Runshen, and Han Shiqian, gave speeches. Wang Shusen, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC], and responsible comrades of the army units stationed in our province attended the conference.

The two-support work conference, which opened on 13 April, was cosponsored by the provincial party committee, the provincial government and the provincial military district. The conference analyzed the situation in the province's two-support work, summed up and exchanged experiences, and through discussions, made a summary of the minutes of the Hebei Provincial two-support conference and made proposals on carrying out activities to build model two-support counties, cities, and districts. [passage omitted]

In his speech, provincial party committee Secretary Xing Chongzhi said: Over the last few years, the broad masses of officers and men stationed in our province have inherited and promoted the fine traditions of supporting the government and cherishing the people; have participated actively in our province's modernization construction under a situation in which their war-preparedness training and self-construction were very complicated and heavy; have done much very effective work to maintain social stability, to deal with emergencies and disasters, to ensure the safety of the country and of the people's life and property, to help poverty-stricken areas shake off poverty and become rich, to undertake urgent, difficult, dangerous, and heavy tasks, to participate in key construction projects, and to carry out joint army-people activities to build socialist spiritual civilization; and have made important contributions to our province's social stability and to its economic development and construction.

During the conference, on the basis of carrying out full consultation and conscious discussion, leaders of the army and local authorities put forward proposals for pushing our province's two-support work to a new stage under the new situation.

Lanzhou Commander Attends Regional Tournament

HK1604074191 Lanzhou Gansu Provincial Service
in Mandarin 2200 GMT 13 Apr 91

[Excerpts] The Lanzhou Military Region's 1991 Military Tournament began in Lanzhou yesterday morning. [passage omitted]

After a spring rain, the air was exceptionally fresh in Lanzhou. Colorful flags were fluttering at a Lanzhou Military Region training base situated at the foot of Mount Mahan in the center of Lanzhou.

At 0900, Lieutenant General Fu Quanyou, commander of the Lanzhou Military Region; Lieutenant General Cao Pengsheng, political commissar of the Lanzhou Military Region; and Xu Feiqing, chairman of the provincial people's congress Standing Committee; reviewed the troops participating in the military tournament.

(Wang Ke), deputy commander of the Lanzhou Military Region, delivered a speech at the opening ceremony. [passage omitted]

Sun Jinghua, deputy commander of the Lanzhou Military Region and concurrently commander of the Lanzhou Air Force; Wang Maorun, deputy political commissar of the Lanzhou Military Region; Chi Yunxiu, chief of staff of the Lanzhou Military Region; and provincial leaders, including Yan Haiwang, Wang Jintang, Mu Yongji, and others, also attended the opening ceremony. [passage omitted]

The military tournament was scheduled to last eight days. In the afternoon, 10 teams representative of various units of the Lanzhou Military Region and composed of more than 400 sportsmen and sportswomen began their tournaments.

Economic & Agricultural

Commentator Notes Planning-Market 'Consensus'

HK1704035691 Beijing CHINA DAILY in English
17 Apr 91 p 4

[By CHINA DAILY commentator: "The Economic Mix"]

[Text] As China seeks to build a socialist system with Chinese characteristics, it is significant that a new consensus seems to be emerging about the role of centralized planning and the market mechanism.

No longer are people pitting the one against the other, equating centralized planning with socialism and equating market forces only with capitalism.

Premier Li Peng should be applauded when he told the Fourth Session of the Seventh National People's Congress (NPC) in his report on the work of the State Council that it is no longer a question of whether or not and when, but how to integrate the two. Moreover, he pointed out that one should not equate centralized

planning with mandatory, administrative directives from the central government; instead, the latter should resort, whenever possible, to the use of guidance through economic leverage.

All modern economies need both the market and centralized planning, but the specific mix depends on the stage of their development and the sophistication of their economy.

Market-oriented reforms were begun in China only about a decade ago. People are just learning its rules, and the legislative framework for its sound operation, guaranteeing the interests of the State and that of individual consumers, is not yet fully in place. The government and economists need also to work out the forms and extent of centralized planning that will help to ensure steady and sustained growth of the economy.

Central-Local Ties

One of the problems that has plagued the People's Republic during the last four decades has been the relationship between the central and local authorities. A well known adage in this period has been: "Centralization leads to stagnation, while devolution leads to chaos." And the pendulum has swung back and forth between the two extremes.

When the reforms started back in 1979, the government sought to get around this problem by devolving power to the State-owned enterprises rather than to the local authorities. But the reality has been that much of the power that the central government delegated downwards was retained, in fact, by the local authorities. The upshot was that some areas became prosperous while the central government's revenues saw a steady decline in terms of its share of the Gross National Product. This had a crippling affect on the ability of the central government to exercise macro-economic leverage. Moreover, the central government lacked sufficient financial resources to invest in infrastructure projects of nationwide significance to the detriment of long-term economic development.

The trend over the last two years of the central leadership trying to recover some of its lost powers should not be interpreted as a reversal, or abandonment, of the policy of reform, but rather as a necessary expedient pending the discovery of a workable approach to balancing the interests of the central and local authorities.

Large Enterprises

Another hard problem to resolve is how to improve the economic performance of the large and medium sized State-owned enterprises.

These enterprises comprise a very small percentage of the total number of Chinese industrial enterprises. But they constitute the "life-line" of the Chinese economy, for they provide the government with more than 60 percent of its revenue.

The alarming fact is that more than 30 percent of them reported deficits last year, and the government has had to spend huge sums of money to keep them afloat.

Many economists agree that their poor performance lies in the fact that their products are not competitive even in the domestic market. They attribute the situation to insufficient managerial autonomy—in production, investment, employment, business dealing, foreign trade, and so forth.

The problem here is, on the one hand, to preserve their essential characteristic as publicly-owned socialist property and, on the other hand, to create a better business environment, so that they may compete on an equal footing with co-operative, or even, private enterprises and Sino-foreign joint ventures or solely foreign-owned businesses. The solution to these two irksome problems seems to lie in a workable integration between centralized planning and the use of market forces.

Premier Li Peng has set forth the task. It is now up to the economic officials at all levels and managers of large and medium State-owned enterprises to work out this integration in the current five-year plan period.

World Market Not Encouraging for Loan Flotation

HK1704024291 Beijing CHINA DAILY in English
17 Apr 91 p 2

[By staff reporter Liu Hong]

[Text] The Chinese Government currently does not plan to float bonds overseas this year, but will continue the intensive study of the world capital market.

"We have no plan so far to float loans in any foreign country this year," Zhang Jialun, deputy director of the State Debt Management Department under the Ministry of Finance, told China Daily yesterday.

The world capital market does not look encouraging at this time for the government to float loans, Zhang noted, adding that price quotations from the international capital market have reflected that foreign money is "increasingly expensive" as the development of the East European countries and the post-war construction in the Gulf region have increased the demand on the world capital market.

Zhang, also a senior economist, noted that the current yearly interest rate on Deutsche marks on the German capital market stands at 9 per cent, higher than the interest rate on U.S. dollars.

The Ministry of Finance floated its first and only overseas loan on the Frankfurt market in 1987. The 300 million Deutsche marks (\$178.57 million) worth of bonds then levied a yearly interest return of 6 per cent.

Interest rate on Britain's capital market was also too high, and China is not entitled to sell bonds on the United States capital market because of unsettled debts

incurred by successive Chinese governments before the founding the People's Republic of China on October 1, 1949, according to Zhang.

Similar debt issues have also prevented China from selling bonds in Switzerland though the interest charged there is only 6 per cent, Zhang said.

He noted that Switzerland's capital market is encouraging as the Swiss franc is comparatively stable and the country's capital resources ample. Efforts have been taken to settle old debts with the Swiss creditors, he added.

Among the current available overseas capital markets, the 7.7 per cent yearly interest charge on Japan's market is the lowest, he said. But the yen has already accounted for a very large part of China's foreign borrowings and the country wants to make its foreign borrowings a more even mix of various currencies, he noted.

Statistics show that China had built up a foreign debt of some \$50 billion by the end of the past year.

Zhang pointed out that the country has gained a sound footing on the international capital market with its high credit standing.

According to the latest ratings published by the Japan Bond Research Institute in March, China was put in 29th place in terms of its credit standing as compared to its rank of 38th in the institute's previous ratings published in September of last year, he said. The institute rates each country's credit standing twice a year.

China is also one of the five countries the World Bank has decided recently to underwrite for their borrowings from the international capital market, he said.

Zou Jiahua Urges Improved Economic Performance

OW1604204791 Beijing XINHUA in English
1502 GMT 16 Apr 91

[Text] Beijing, April 16 (XINHUA)—Vice-Premier Zou Jiahua today called for greater efforts to improve the economic performance of enterprises.

Zou, speaking during a telephone conference concerning the national "Quality, Variety and Economic Performance Year" campaign, said that despite stable increases in industrial production during the first quarter of this year, the problem of product overstocking and decreases of many enterprises' economic performance has not been solved yet.

The vice-premier noted that in order to halt decrease in economic performance and to increase industrial production, down-to-earth efforts are needed to develop the campaign for "Quality, Variety and Economic Performance Year".

The premier urged enterprises to engage in better management, readjust their product mix, promote technological progress and develop new products in order to cater to market demand, increase quality control, and reduce energy consumption.

First Futures Contract Since 1949 Signed

OW1404070791 Beijing XINHUA in English
0649 GMT 14 Apr 91

[Text] Zhengzhou, April 14 (XINHUA)—A forward contract on wheat recently signed in Zhengzhou represents the mainland domestic market's first futures contract since 1949.

This was disclosed by Li Jingmou, director of the Zhengzhou Grain Wholesale Market, which was jointly established by the Ministry of Commerce and the provincial government of Henan last October.

The deal was made between the Lengshuitan Flour Processing Factory from Hunan Province and a grain and oil company from Huaxian County, Henan Province.

According to the contract, the Henan company will deliver one million kg of third-grade wheat to the Hunan factory in September this year at a price of 0.86 yuan (about 0.15 U.S. dollars) per kg, 1.17 percent higher than the present market price.

Li called the contract the first step for the Zhengzhou market's transition from spot transactions to futures transactions.

The futures contract is a child of the on-going reform in the country's grain trading system, Li said, adding that it is a good way to protect producers and consumers.

Now in the pilot stage, the state has created a fund to reduce the risks associated with futures transactions and to promote the market, Li said.

Buyers and sellers share the risk within a certain degree of price floating. When price exceeds the limits set by the state, the state will help account for the difference.

The state will withdraw and let market rules work unreined when the futures market matures, the director said.

Local Commodities, Futures Exchanges Planned

HK1704033191 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
17 Apr 91 p 1

[By Geoffrey Crothall in Beijing]

[Text] Following the opening of China's first commodities and futures exchange in the central city of Zhengzhou last October, local governments across the country are planning to set up their own exchanges.

At least seven provincial governments have put forward proposals to establish small-scale specialist commodity

exchanges based on locally produced agricultural products, according to Chinese and Western economists.

A small rice exchange has already been set up in Anhui, with Sichuan, Zhejiang, Hunan and Hubei all proposing similar ventures. Sichuan, the country's largest producer of pork, is also planning to set up a pork exchange.

The northeastern province of Jilin plans to trade in corn and soya beans while Shandong will specialise in peanuts and peanut oil.

Although the development of commodities and futures markets is specifically included in the eighth five-year plan and the 10-year plan for overall economic development, economists say it is unlikely that these proposals will receive central government backing at least for another year.

Beijing wanted to assess the development of the grain market in Zhengzhou, which is being promoted as a national commodities exchange, before allowing smaller regional exchanges to go ahead, the economists said.

Nevertheless, regional governments are pushing ahead with their plans, assuming Beijing is too busy with more important matters to bother interfering in regional reform programmes, and they are actively seeking out advice from overseas consultants such as the Chicago Board of Trade.

The Chicago Board of Trade signed a memorandum of understanding with China's Ministry of Commerce in February 1990 to help develop domestic futures markets and is working with the Jilin government on the establishment of a corn exchange there.

The vice-president of the board's Asia-Pacific office in Tokyo, Mr William Grossman, said the Ministry of Commerce had been very encouraging, adding that there was no longer any ideological impediment to the establishment of futures markets in China.

Mr Grossman said provincial governments had the expertise to set up commodities markets but admitted that more experience was needed in the management and operation of such markets before futures could really take off.

Tax Regulations for High-Tech Zones Approved

OW1704083291 Beijing XINHUA in English
0753 GMT 17 Apr 91

[Text] Beijing, April 17 (XINHUA)—The State Council has recently approved tax regulations for national high technology development zones, the ECONOMIC DAILY quoted sources from the State Administration of Taxation as reporting.

The main content of the regulations, which were drafted by the State Administration of Taxation, are as follows:

- A 15 percent income tax will be levied on any enterprise in such development zones starting from the day the enterprise is recognized.
- The percentage of the income taxes levied on enterprises whose annual output value of exported products accounts for 70 or more percent of its total production output value in the same year will be reduced to 10 percent.
- New enterprises in these development zones will be exempt from income taxes for two years after their applications are approved by the tax institutions.
- Enterprises in the development zones are allowed to repay their loans after they have paid the income tax.
- Foreign-funded enterprises in hi-tech development zones that are located in a special economic zone or economic and technological development zone will continue to enjoy the preferential tax policies designated for the special economic or economic and technological development zone.

First Quarter Crude Oil Output Exceeds Target

HK1704062591 Beijing CHINA DAILY in English
17 Apr 91 p 2

[By staff reporter Xu Yuanchao]

[Text] China's crude oil production recorded an output of 34.4 million tons in the first quarter of this year despite the icy weather and power shortages, said an official with the China National Petroleum Corporation (CNPC).

The first quarter of the year is generally regarded as the slow season for oil production. But major oil-fields throughout the country turned out 9.6 million tons of oil more than the State target for the period.

The official said the average daily output in the first quarter of this year reached 375,900 tons, a record high compared with recent years.

The Daqing Oilfield in Northeast China's Heilongjiang Province met the State target for the first quarter of the year by producing 13.84 million tons of oil.

Daqing, the largest oilfield producing 40 percent of the country's oil, is using chemical reagents to increase the recovery rate from 40 to 60 percent to maintain its oil output at 50 million tons a year by the turn of the century.

The Shengli Oilfield in East China's Shandong Peninsula produced 8.26 million tons of oil in the first three months of 1991, about 24.6 percent of the State production target for this year.

The natural gas produced by the second largest oilfield reached 391 million cubic metres in the year's first quarter, 3 percent above the State target.

The Liaohe Oilfield in Northeast China's Liaoning Province produced 3.36 million tons of oil in the three month period, representing 24.5 percent of the State's target for the year.

The country's third largest oilfield also produced 459 million cubic metres of natural gas, 3 percent more than the State target.

Oil production in Yumen, China's oldest oilfield, declined slightly by 3.5 percent to 21.4 million tons in the first three months.

The official said a number of drilling teams were sent by Yumen to participate in the drilling campaign at the Turpan-Hami Basin in the Xinjiang Uygur Autonomous Region. As a result the production force at Yumen was weakened.

Now there are 22 drilling teams working in the basin and they expect to drill 158 oil wells this year.

The number of drilling teams operating in the basin is expected to reach 44 by the end of this year, with more teams coming from Changqing and North China oilfields.

The Tarim Basin in Xinjiang is expected to produce 400,000 tons of crude oil and to gain experience in large-scale oil production in the next few years, the official said.

In the first three months of 1991, Tarim produced 122,000 tons of oil, 6 percent more than the State plan.

The China National Offshore Oil Corporation, which is in charge of offshore oil production, turned out 570,000 tons of oil in the first quarter of the year, representing 31.9 percent of the State target for this year.

Anshan Iron, Steel Company Raises Production

OW1304162591 Beijing XINHUA in English
1517 GMT 13 Apr 91

[Text] Shenyang, April 13 (XINHUA)—The Anshan Iron and Steel Company, China's largest iron and steel industrial base, produced a total of 37.22 million tons of iron, 38.78 million tons of steel, and 27.568 million tons of rolled steel during the Seventh Five-Year Plan period (1986-1990).

These figures represent increases of 800,000 tons, 800,000 tons and 630,000 tons, respectively, over the figures for the Sixth Five-Year Plan period (1981-1985).

In 1990, the company manufactured 7.71 million tons of steel, 7.41 million tons of pig iron, 6.86 million tons of billet and 5.61 million tons of rolled steel.

During the Seventh Five-Year Plan period, the company invested a total of 4.944 billion yuan in technical reform, contributing to a 5.5 billion yuan increase in fixed assets. The company's fixed assets now stand at 13 billion yuan.

Between 1986 and 1990, the company developed some 638 scientific and technical achievements, with 50 of them up to international standards and 37 up to national standards. In 1990 alone, the company registered 84 scientific research achievements.

Due to the technical reform, over 30 types of steel and 73 kinds of new products were developed each year during the Seventh Five-Year Plan period. Moreover, more than 85 percent of the products met advanced international standards.

Previously, the company had set up cooperative relationships with other companies in the country, as well as firms in the United States, Germany, Japan, the Soviet Union, Italy and Australia.

Last year, the company earned a total of 13 million U.S. dollars from exports, 10 percent more than in 1989.

Nonferrous Metals Industry Increases Profit

*HK1304072491 Beijing CHINA DAILY in English
13 Apr 91 p 2*

[By staff reporter Ren Kan]

[Text] China's nonferrous metals industry got off to a good start in the first quarter of this year, posting increases in both its output and profit.

Total production of the 10 major metals—copper, aluminium, lead, zinc, nickel, tin, antimony, mercury, magnesium, and titanium—reached 585,000 tons during that period.

The figure represented a 10.7 percent increase over the figure for the first three months of last year, an official with the China National Nonferrous Metals Industry Corporation said yesterday.

The increases recorded in the first three months had paved the way for the industry to fulfill the State-set production target of 2.3 million tons for this year, the official said.

The rise in production would also heighten the corporation's confidence in its ability to increase output during the Eighth Five-Year Plan period (1991-95).

By 1995, he said, the annual output of the ten major metals was expected to jump to three million tons.

This steady growth would enable the industry to meet the rising domestic demand stimulated by the development of technology and the metallurgical industry.

Over the first quarter of this year, he said, aluminium production rose by 14 percent from last year with a total output of 225,703 tons.

The output of lead rose by 5 percent and that of zinc by 22.9 percent over the same period last year.

The output of copper fell by 116 tons to 136,037 tons, he said, because some of the machinery used in the copper industry was in the process of being overhauled.

The official attributed the overall increase to the fact that supplies of raw materials and electricity were favourable.

Alongside the increase in output, he said, product quality had also improved considerably.

Chemical Industry Output Rises 12.2 Percent

*HK1204052191 Beijing CHINA DAILY in English
12 Apr 91 p 2*

[By staff reporter Zhang Yuan]

[Text] The increase in output of China's chemical industry in the first quarter of this year was more than double the planned 6 percent annual growth rate.

A report released yesterday by the Ministry of Chemical Industry showed total output value during the period was 34.87 billion yuan (\$6.71 billion), 12.2 percent up on the first three months of 1990.

Of the 16 major chemical products covered by the State plan, only four—sulphur iron ore, phosphate rock, soda ash and calcium carbide—failed to fulfill their set production quotas.

But compared with the same period of last year, the report said, all 16 products had registered rises, ranging from 0.2 percent to 27.3 percent.

In the first quarter, output of all agricultural production-related chemicals increased because officials at all levels had put emphasis on supporting agricultural production, the report said.

During the period, the country had turned out 22.37 million tons of chemical fertilizers and 58,000 tons of farm pesticides, up 3.9 percent and 7.4 percent respectively on last year, it said.

But the report admitted that chemical enterprises had still not managed to significantly raise efficiency.

An exception to the general rule, however, was the Jilin Chemical Industrial Corporation in Northeast China's Jilin Province.

The report said the corporation had achieved double-digit growth in profits as a result of its emphasis on raising product quality and reducing energy and raw material consumption.

Succeeds in 7th 5-Year Plan

*OW1504102691 Beijing XINHUA in English
0948 GMT 15 Apr 91*

[Text] Beijing, April 15 (XINHUA)—The Ministry of Chemical Industry has completed all the state-set key research projects for the period of the Seventh Five-Year Plan (1986-90), achieving 539 important research results and 27 patents, according to today's "PEOPLE'S DAILY."

Thirty-six of the research results have won national, ministerial, provincial or municipal awards. In addition, about 70 percent of the research results have been

applied to production or engineering designs, generating 580 million yuan in direct economic revenue.

These research results include the development of new technologies for ore dressing and mining, and processing integrated circuits, and the development of new pesticides, weed killers, dyestuffs, sensitive materials and plastic products.

Light Industry Registers Production Increase

OW1704122191 Beijing XINHUA in English
1138 GMT 17 Apr 91

[Text] Beijing, April 17 (XINHUA)—China's light industry registered a 14.8 percent increase in production during the first three months of the year compared with last year, with the total output value amounting to 80.79 billion yuan.

These figures are based on the latest statistics from the Ministry of Light Industry.

Furthermore, the output of most of the major light industry products grew at various degrees during the first quarter. Sugar, for instance, rose by 19.3 percent, and experts here expect a total output of 6.5 million tons, a new record, for the entire 1990-1991 sugar production season.

A ministry official in charge of production told XINHUA that the output of other daily necessities, like salt, cigarettes, wine and liquor, dairy products, detergents, paper, aluminum, and plastic goods all grew respectively over the same period of the previous year, adding that the market will be well supplied.

Nevertheless, he said, the production of canned food declined due to price problems.

Production increases of many electric appliances were also witnessed in the first quarter, with the output of air conditioners rising by 120 percent, rice cookers and washing machines by 52 and 24 percent respectively.

The official admitted that the economic efficiency of most light industry enterprises still needs to be further improved.

Energy-Saving Petrochemical Equipment Planned

HK1304072691 Beijing CHINA DAILY in English
13 Apr 91 p 2

[By staff reporter]

[Text] China is to strengthen the development of energy-saving petrochemical equipment over the next five years to ease the country's shortage of coal and electricity.

The industry will pay more attention to cutting energy consumption of seven categories of products—ventilators, pumps, compressors, pipeline networks, air separators, refrigerators and heat exchangers.

By 1995, these products are expected to save the industry 3.27 billion kilowatt-hours of electricity a year, according to an official with the Ministry of Machinery and Electronics Industry.

He said the industry was planning to import advanced technology to boost production of energy-saving products.

Meanwhile, he said, the government would provide favourable treatment to industries developing energy-saving equipment including low tax rates or tax exemptions, loans with preferential terms and a stable supply of raw materials.

The official said it was vital to develop energy-saving petrochemical equipment since these products used up large amounts of electricity every year.

Their annual electricity consumption hit 250 billion kilowatt hours last year, he said, accounting for 40 percent of the country's annual generated electricity.

The official added that the annual output of these seven categories of products had reached 2.93 million sets.

Since the beginning of the 1980s, he said, the industry had made great efforts to develop energy-saving petrochemical equipment.

The ministry had introduced 327 types of energy-saving petrochemical equipment while eliminating 114 kinds of high energy consumption products, he said.

The annual output of energy-saving petrochemical equipment had hit 960,000 sets, he said, saving 1.5 billion kilowatt hours of electricity a year.

Coal-Mining Equipment Needed To Boost Output

HK1304072891 Beijing CHINA DAILY in English
13 Apr 91 p 2

[By staff reporter Huang Xiang]

[Text] China's top coal industry officials are hoping to get the go-ahead to import high-grade mining equipment and technology worth millions of yuan to further boost coal production.

If the central government approves the purchase, the coal industry will import complete sets of high-grade coal extractors and related technology before 1995, according to industrial sources.

It would be the fourth major purchase of its kind since the early 1970s when the government started to spend hard currency on introducing expensive machinery and technology, the sources said.

A set of high-grade extractors costs around 15 million yuan and can turn out three million tons of coal a year if operated at capacity.

Top officials in the industry wanted to import a further 30 sets of these extractors for the country's major state-owned mines, the sources said.

But the central government had not yet given the purchase the go-ahead, they said, adding that it would not be possible unless the government gave financial help because many of the nation's coal mines were losing money.

It was not yet known where the machines would come from or when they could be expected to arrive. However, the sources said, the potential suppliers were believed to be among the world's traditional manufacturers of coal mining equipment in Europe, the United States and Japan.

In China, they said, only state-run mines, rather than township-run or privately-run ones, were rich enough to employ such sophisticated imports as coal extractors and coal tunnelling machines. More than 400 such extractors were currently in use.

But the sources said the industry was expected to purchase only a proportion of the finished products. Domestic manufacturers were likely to co-operate with foreign partners to produce the rest.

Analysts noted that the approach was in sharp contrast with that of two decades ago when a single deal often resulted in the purchase of dozens of extractors.

They said the industry hoped that the new deal, with the transfer of know-how, would eventually enable domestic producers to supply the machines on their own.

As the world's top coal producer, the industry in China used to rely on ever-increasing staff numbers to boost output. But this practice has recently been halted as it has been seen to hamper labour productivity.

In addition, some of the existing machines are wearing out and have had to undergo extensive repairs to prevent breakdowns.

According to a survey by the China National Coal Corporation, 201 of its extractors and 420 of its tunnelling machines need replacing.

The corporation, one of the industry's two State-owned mining groups, has about 1,300 sets of equipment of this kind—half of them imported—which turned out 361 million tons of coal last year or one-third of the nation's total.

'Roundup' Views Development of Rural Enterprises

OW1704074691 Beijing XINHUA in English
0330 GMT 17 Apr 91

["Roundup: Rural Enterprises on Rise"—XINHUA headline]

[Text] Hangzhou, April 17 (XINHUA)—Rural enterprises in China have developed rapidly ever since they came into existence in the late 1970s, and they are now recognized by all as an irreplaceable motive force in the development of the country's rural economy.

According to statistics, China has 18.2 million rural enterprises, including private businesses and cooperatives.

Of these enterprises, the industrial plants produced a combined output valued at 700 billion yuan last year, accounting for 30 percent of the country's gross industrial output and 60 percent of its rural social product.

Ten years ago, the country's rural enterprises only generated an annual out value of 65.7 billion yuan, less than 10 percent of the national gross industrial output. [sentence as received]

The appearance and development of rural enterprises has greatly changed the country's rural economic structure. Last year, Chinese farmers averaged 700 yuan in terms of per capita industrial output. The amount of building materials, coal and garments produced by rural industrial enterprises accounted for 85 percent, 31 percent and 50 percent of the country's total, respectively.

Last year, the annual income of rural people rose from 133.57 yuan ten years ago to 545 yuan, of which 33.7 percent was from rural enterprises.

Moreover, 50 percent of the increased state revenue since 1985 has come from rural enterprises, which have altogether delivered 184 billion yuan to the state in taxes over the past decade.

Statistics show that rural enterprises have increased their exports by two billion U.S. dollars to 12.5 billion U.S. dollars last year, accounting for one fourth of the nation's total.

Having come into existence in rural areas and grown up with rural accumulations, these rural enterprises have, in turn, spent more than 70 billion yuan on supporting grain production in recent years.

They have also helped boost social welfare, education, cultural and recreational facilities in the countryside. As a result, the number of rural towns expanded from 2,600 in 1980 to 12,000 last year.

Chinese Premier Li Peng noted, "Rural enterprises have played an important role in China's economy, the rural economic development in particular, and have become a key part of the national economy."

At present, 93.4 million farmers, or one out of every five rural laborers, work in rural enterprises.

According to statistics, rural enterprises offered jobs to 22.2 million rural laborers between 1985 and 89, accounting for 57.6 percent of the country's total employment during this period.

For a country with an average of 0.1 hectare of farmland per person, this not only helps the state solve the surplus labor force problem in rural areas but also helps maintain social stability, experts point out.

A survey shows that almost all the farmers entering urban areas in search of temporary jobs are from areas

with fewer rural enterprises. Areas where rural enterprises are booming are usually short of laborers.

Lu Guangqiu, vice-president of the China Township Enterprise Society, pointed out that "the deficiency of financial resources and surplus population are two major issues in the countryside. The emergence of rural enterprises has created a new path to solve these problems."

Rural enterprises have received state support in their growth.

While working out principles to ensure that rural enterprises develop steadily, the Chinese Government issued the "Regulations for Rural Enterprises Collectively-Owned by Villages of the People's Republic of China" in 1990.

Party and state leaders have affirmed the position and role played by rural enterprises on numerous occasions.

In his recent inspection of rural enterprises, Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, stressed that without rural enterprises, the state's revenue and exports would fall and rural food projects would be affected.

He Kang, former minister of agriculture and president of the China Rural Enterprise Society, believes that rural enterprises are a pioneering feat of Chinese farmers and will pave the way for an agricultural-based country to develop into an industrial nation. The enterprises will offer fresh experience in reducing the gap between town and country and between industry and agriculture. They may also set an example for other third world countries to follow, he said.

Rural Industry Achieves Increase in Output

OW1604142191 Beijing XINHUA in English
1344 GMT 16 apr 91

[Text] Hangzhou, April 16 (XINHUA)—China's rural industry achieved an unexpected rise of 368.5 billion yuan (about 70 billion U.S. dollars) in output over the past three years, according to officials concerned.

Even in 1990, their most difficult year, the country's rural enterprises managed to generate an additional 100 billion yuan (about 19 billion U.S. dollars) in output.

Some experts claim that the figures represent an escape from the most troublesome "bottom" for the rural industry, though it does not mean all the firms have indeed left the depression.

At present, there are 18,200,000 enterprises in the country's rural areas. The entire output value achieved last year by these enterprises amounted to more than 950 billion yuan (about 18.5 billion U.S. dollars).

Experts attribute the present condition of the rural industry sector to several factors, including the close relations between factory managers and their employees, the flexibility and adaptability to market changes, their ability to spark self-development, and for those firms

located in the coastal areas, the sharp rise in exports as a result of export-oriented production.

Meanwhile, the experts noted, the local governments' support of the development of the rural industry has also helped the enterprises develop steadily.

Progress Made in Rural Electrification

OW1504102591 Beijing XINHUA in English
0943 GMT 15 Apr 91

[Text] Beijing, April 15 (XINHUA)—China has made remarkable progress in bringing electricity to its rural areas, "PEOPLE'S DAILY" reported today.

According to the newspaper, 96 percent of the farmers in 109 remote counties now have electric power. Every farmer can use 200 kwh of electricity annually.

Since 1985 when China first named 100 counties as "rural electrification pilots", the country has invested a total of 4.1 billion yuan to aid 109 counties in the construction of small hydro-power stations, the newspaper said.

About 500 million yuan of the total investment came from the central government.

The construction of small hydro-power stations has boosted the local economy, increasing grain outputs by eight percent and raising the average annual income of farmers from 203 yuan to 620 yuan.

The electrification projects in these rural areas have also greatly promoted the development of rural and township enterprises. More than two million rural laborers are currently employed in these enterprises.

According to the newspaper, the country plans to bring electricity to an additional 200 remote counties with rich hydro-power resources during the Eighth Five-Year Plan period (1991-95) in an effort to boost industrial and agricultural production in these areas.

In a short commentary, the newspaper urged local officials to arouse the enthusiasm of local departments and the broad masses in building small hydro-power stations during the Eighth Five-Year Plan period.

Production of Nonstaple Foodstuffs Increases

OW1704145491 Beijing XINHUA in English
1341 GMT 17 Apr 91

[Text] Beijing, April 17 (XINHUA)—China's "food basket program," which was designed to increase the supply of non-staple foodstuffs in large- and medium-sized cities, has resulted in large increases production these items.

An official from the Ministry of Agriculture said today that a recent survey of 36 major Chinese cities revealed that pork production was up by 8.7 percent in 1990,

while egg production showed a 13 percent increase as compared with the previous year.

During the past four years, major cities have had reported stable vegetable supplies, and an increase in variety. Prices for non-staple foodstuffs have also remained stable, according to the official.

The State Statistics Bureau released figures showing that during 1990 China produced over 27 million tons of meat, 7.74 million tons of eggs, and 12.18 million tons of aquatic products. As a result of this increased production China is now the world's third largest fish producer, following the Soviet Union and Japan.

At present, the average Chinese citizen consumes 24.4 kg of meat, 6.8 kg of eggs, 4.2 kg of milk and 10.66 kg of fish, annually. The per-capita consumption figures surpass the targets set for the 1992 "food basket program."

In an effort to enhance the program, a national exhibition is now being held at the national agricultural exhibition hall. The week-long exhibition, which is scheduled to be close on Thursday, features advanced technology and facilities used for the production of non-staple foodstuffs, as well as new seed varieties.

Agricultural Loans Increase by One-Third

HK1604143091 Hong Kong ZHONGGUO TONGXUN SHE in English 1244 GMT 16 Apr 91

["China's Agricultural Loans in First Quarter of This Year Increase by One-Third Over Last Year"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, April 16 (HKCNA)—The Agricultural Bank of China and credit cooperatives have spared no effort in fund-raising for the spring agricultural season. They have released agricultural loans totalling RMB [Renminbi] 42.5 billion, 33.6 percent up from the same period last year.

In order to give support to the promotion of agricultural science and technology, quite a number of banks in agricultural areas have offered loans for special items. The Jilin provincial branch of the Agricultural Bank of China offered agricultural loans totalling RMB 160 million specifically for science and technology.

With the aim of increasing the input of agriculture, the Agricultural Bank of China at different levels and credit cooperatives have adopted measures to guide peasants and collective economic organizations to increase the input of agriculture by themselves. The proportion of fund-raising by producers themselves rose as a result of this guidance.

Though China saw a bumper harvest last year, agricultural production would suffer a slide if a relaxation in agricultural development took place. One bad sign so far appearing is the peasants suffering low grain purchasing prices. Another is poor grain sales last year dampened the peasants' enthusiasm for planting crops. Spring

drought is yet another element detrimental to agricultural production. All these factors have come to the attention of the authorities concerned.

1990 Special Grain Storage Plan Achieved

OW1304062491 Beijing XINHUA Domestic Service in Chinese 0814 GMT 12 Apr 91

[By reporter Jiang Jun (1203 6511)]

[Text] Beijing, 12 April (XINHUA)—This reporter learned from the newly established State Grain Reserves Bureau that China successfully accomplished its special grain storage task for 1990.

A responsible person of the State Grain Reserves Bureau said: As of 31 March, the state had procured over 25 billion kg of grain at protective prices higher than market prices and overfulfilled the special grain storage plan for the previous year. This has effectively eased the peasants "difficulties in selling grain" in most areas of the country and increased their income.

The State Grain Reserves Bureau, formally put into operation on 8 April, is an organ under the State Council that exercises centralized management of grain and edible oil reserves throughout the country. Its main tasks are to conduct overall regulation and control of the circulation of grain and edible oil, regulate supplies of various kinds of grain through market regulation or imports and exports within the limits permitted by the state, and conduct flexible management, so that the volume and value of grain and edible oil reserves will continue to grow.

It has been learned that China will speed up the construction of grain storehouses. The task to construct storehouses with a total capacity of 25 billion kg and tanks with a capacity to store 1 billion kg of edible oil, originally planned to be completed during the "Eighth Five-Year Plan," will be completed within four years, earlier than scheduled.

Good Summer Harvest Predicted Despite Problems

HK1704024091 Beijing CHINA DAILY in English 17 Apr 91 p 1

[By staff reporter Wang Dongtai]

[Text] The largely favourable weather this year is expected to bring another good summer harvest, agricultural officials said yesterday.

Recent rains have cleared the threat of drought from the country's major wheat-producing provinces in North China, and other summer grain and oil crops are growing well throughout the country, according to Zhao Hanjie, an official from the Agriculture Ministry's information department.

Zhao said minor damage had been caused by excessive rain and pests in some areas.

But officials are worried about the lack of funds facing farmers, who still have "15 million tons of unsold grain from last year's crop on their hands."

"This will not only make it difficult for them to buy the fertilizer and pesticide needed to ensure a good crop this year, but also affect their enthusiasm for growing more grain," Zhao told China Daily.

In Hebei and Shandong provinces and the Beijing municipality, Zhao said, crops were growing better than last year, and 85 percent of them were first and second-grade.

And in provinces like Sichuan, Hubei, Shanxi, Gansu and Shaanxi, crops were growing normally, with first and second-grade crops accounting for 80 percent.

However in provinces like Henan, Zhejiang, Jiangxi and Hunan, crops were not growing so well, he said.

In Jiangsu, Anhui and Shanghai, about 2.6 million hectares of crops had suffered from excessive rainfall, he said, while in Jiangsu Province 1.2 million hectares of wheat had suffered from pests. Seventy per cent of the province's rape crop had also suffered from disease.

Zhao said some areas were already in the busiest season for spring ploughing. In the south, farmers had started raising rice seedlings, while farmers in the north had started raising cotton seedlings.

Vice-Agriculture Minister Chen Yaobang had earlier said that the pressing problem faced by farmers was the lack of funds.

Last year's bumper harvest made it difficult for farmers to sell grain, causing prices to fall and leaving farmers short of money to buy production materials.

According to information from 133 grain and oil markets, the average price for wheat was 0.82 yuan (\$0.15) per kilogram in March, a decrease of 17 percent on the figure for the same month in 1990.

At the same time, prices of production materials have risen. In some areas, good quality fertilizer now costs 20 percent more than a year ago.

Chen said that in some areas, farmers were not paying enough attention to crop management and were investing less in grain production.

The Vice-Minister said the Agricultural Bank, commercial agencies, the chemical industry and transportation agencies should co-operate closely to give more support to grain-producing farmers.

He also called for better management of crops and better preparations against bad weather, pests and diseases.

Cotton Production Bases Implement Crop Rotation

OW1704084891 Beijing XINHUA in English
0745 GMT 17 Apr 91

[Text] Beijing, April 17 (XINHUA)—China's 34 fine cotton production bases, which account for one-eighth of the country's total cotton-growing area, have raised their average per unit output by 14.26 percent in the past five years.

The output increase came as a result of the cultivation of improved cotton breeds, "PEOPLE'S DAILY" reported today.

Starting in 1986, the Cotton Research Institute under the Chinese Academy of Agricultural Sciences and the Jiangsu Provincial Academy of Agricultural Sciences organized 360 technical personnel to breed and spread fine cotton strains. During the 1986-1990 period, they introduced over 26 of these fine cotton strains throughout the country.

Last year, the total area of land in the 34 cotton production bases to receive these new strains amounted to 776,000 ha. Moreover, the ginned cotton output of the bases increased by 10 percent last season.

The fight between grain and cotton for farmland is a long standing problem which has greatly restricted the development of cotton production.

Now, however, the 34 bases have solved the problem by changing their cultivating methods. So far, cotton production bases in the Yellow River Valley have developed a method of rotation between cotton and grain crops, the paper said.

Higher Production Target Set

HK1504025391 Beijing CHINA DAILY in English
15 Apr 91 p 1

[By staff reporter]

[Text] China's farmers, encouraged by a higher government purchasing price and other preferential policies, are expected to grow about 6.6 million hectares of cotton this year—an increase of nearly 20 per cent over last year.

The figure, calculated by the State Statistics Bureau after a recent national survey of over 70,000 farmers in more than 800 counties throughout the country, would represent the largest acreage of farmland devoted to cotton production since 1985.

According to a report in yesterday's People's Daily, the total area being planted in cotton this year is expected to mark an 18.5 per cent increase over last year.

Last year, the total farmland in cotton was about 5.5 million hectares. It yielded more than 4.25 million tons of cotton.

But that amount was not enough to meet the domestic cotton market which requires some 5 million tons of cotton a year.

The shortfall between output and demand has forced the State to raise the cotton purchasing price and promise more preferential policies towards cotton growers.

The central government last year, in spite of its tight budget, raised the purchase price to 300 yuan from 236.4 yuan per 50 kilograms, resulting in an obvious expansion of cotton production.

People's Daily said these preferential policies will be continued this year in an attempt to further increase the national cotton output.

The Shandong provincial government and other local governments have decided to grant farmers 100 kilograms of fertilizer, 10 kilograms of diesel oil and farm

chemicals at a lower-than-market price if they sell 100 kilograms of cotton to the State.

In Anhui Province, cotton growers could buy 100 kilograms of grain at a State-set price for every 100 kilograms of cotton they sell to the State.

Other cotton producing provinces also grant the farmers similar preferential treatment.

In 1984, the country produced a record of 6 million tons of cotton which was too much for the country's consumption at that time.

However, both the planting areas and output of cotton have been stagnating since then.

It has been learned that the country now plans to harvest 4.5 to 5 million tons of cotton every year during the 1991-95 period of the Eighth Five-Year Plan by applying scientific and technological methods.

East Region

Huangfu Ping Article on Cadre Appointments

OW1704055391 Shanghai JIEFANG RIBAO in Chinese
12 Apr 91 p 1

[Article by Huangfu Ping (4106 3940 1627): "Reform and Opening Requires a Large Number of Cadres With Both Morals and Talent"]

[Text] At their recently concluded sessions, the National People's Congress [NPC] and the National Committee of the Chinese People's Political Consultative Conference [CPPCC]; having deliberated and approved the 10-year program and the Eighth Five-Year Plan, and decided on the second-step strategic goal of modernization; took the necessary steps of strengthening and augmenting the leading bodies of the State Council, the NPC Standing Committee, and the CPPCC National Committee. This spectacular decision of strategic importance has once again enlightened people that to deepen reform, open ourselves wider to the outside world, and create a new situation of modernization in the nineties, we must lose no time in training, selecting, and appointing a large number of outstanding people with both morals and talent, as this will organizationally guarantee that there are no lack of successors to carry on the cause of building socialism with Chinese characteristics, and that the trees will always remain green.

The political line having been set, cadres then become the decisive factor. A very important reason why we were able to realize our country's first-step strategic goal, modernization in the eighties, ahead of schedule was that as far back as the late seventies and early eighties, our party, with strategic foresight and in a timely manner, stressed cooperation between old and new cadres and the succession of the new ones; promoted tens of thousands of young and middle-aged cadres with both morals and talent; and very successfully resolved the questions of aging and the lack of new members to take over from the old; questions which had existed in varying degrees in the ranks of our cadres for a fairly long period of time. This group of young and middle-aged cadres, with qualities characteristic of the eighties, cooperated closely with veteran comrades, studied diligently, practiced their work courageously, and performed a lively drama full of power and grandeur on the grand historical stage of reform and opening, thus winning the admiration of the proletarian revolutionaries of the older generation. Since entering the nineties, our goals have become more magnificent, and our tasks more formidable. The development of reform and opening in depth and breadth will inevitably require more cadres with both morals and talent to lead the masses of people to create a new situation and scale new heights. At the same time, some cadres who stepped into leading posts at various levels a decade ago have ascended to more important leading posts, while others have stepped down to the second line as a result of the law of nature. This again presented us with the task of instituting a new round of cooperation

between old and new cadres, and the succession of the old by the new. In short, the new historic mission of the nineties and the law of evolution in the ranks of cadres are calling on the new generation of the nineties, who are full of life and vitality, to come forward and play the "second movement" of modernization on the same stage. This will be a "cadenza movement," leading the Chinese nation from a state where people have enough to eat and wear, to the state of leading a fairly comfortable life. Hence, people have followed with redoubled interest and placed great hopes on the progress and quality of the new round of succession of new cadres.

Our policy in training, discovering, and appointing tens of thousands of young and middle-aged cadres of the nineties must adhere unswervingly to the principle of requiring both morals and talent, and the policy of revolutionizing the ranks of cadres and making them younger, better educated, and more professionally competent. What is called morals is precisely revolutionization. Upholding the policy of revolutionization is especially significant in the face of the changes and rigorous challenges in the nineties. Revolutionization means the possession of a strong faith and a principled loyalty to Marxism, along with adherence to the road of socialism with Chinese characteristics; resolute support and all-round implementation of the party's basic line of "one center, two basic points" [one center means the central task of economic development and the two basic points means adherence to the four cardinal principles and implementation of reform and the open policy]; strong dedication to the revolutionary cause, and a sense of political responsibility; honesty in performing one's official duties, strict observance of law and discipline, and the seeking of truth for the people; and implementation of the party's principle of democratic centralism in an exemplary way. Revolutionization requires people to plunge into reform and opening, the great cause of socialism, with great enthusiasm; and to plunge into the practice of developing Marxism in contemporary times with a pioneering spirit to increase the power of persuasion of scientific socialism. What is called talent means precisely, the possession of real ability and learning, the possession of knowledge, competence, wisdom, and the capability needed in modernization of a higher level in the nineties, especially the possession of a concrete performance in pioneering work. Our party's cadres' line has always been closely linked with its political line. Therefore, the dual criteria of morals and talent for cadres are, in the final analysis, integrated with the party's basic line at the present stage.

Judging whether a cadre has both morals and talent will ultimately be based on his actual contributions to socialist construction while upholding the four cardinal principles. Comrade Deng Xiaoping has called for selecting and promoting a large number of "sensible persons." The so-called "sensible persons" referred to here are those who uphold the four cardinal principles while enthusing over reform and opening; who are loyal to Marxism as well as proficient in their respective

specialized field of knowledge; who are firmly devoted to socialism and thoroughly understand contemporary capitalism; who have strong principles as well as a high degree of flexibility; who have the dedication to willingly bear the burden of office as well as an inexhaustible enterprising spirit; who have a clear idea of the overall situation as well as the invaluable drive to do solid work at their own posts; and who can uphold unified centralism and have the courage to assume independent responsibility. In a nutshell, we should train, select, promote, and appoint outstanding talented personnel who integrate morals with talent under the condition of reform and opening.

It is very pressing for Shanghai to train and bring up more cadres who can keep abreast of the new situation of reform and opening. Shanghai has a galaxy of talent, and the people of Shanghai are intelligent and of good quality. However, in view of the new demand of developing and opening Pudong, of the arduous tasks in deepening the economic reform, and invigorating large and medium state enterprises, Shanghai's contingent of cadres is insufficient in quite a few aspects. Moreover, the people of Shanghai have some undeniable weaknesses of their own. For example, there are people who are smart at calculating but dim-witted at grasping the best opportunities; people who have a generic manner but are devoid of the demeanor of a general; people who have a far-sighted global vision but lack the courage to wander and temper themselves in the world, and so on and so forth. Because of these weaknesses, some of the cadres in Shanghai, in their awareness of making explorations and innovation, still cannot adapt themselves to the demands of reform and opening. Some of our cadres are envious of other's flexibility, openness, and speed while they themselves are overcautious and afraid to be the first to do anything; they have spent a lot of energy requesting special policies and preferential treatment from higher authorities, but have often shelved the policies already laid down by the central authorities, failing to carry out these policies effectively, thoroughly, and in a flexible manner. They admire other's tacit understanding and mental rapport between higher and lower levels while acting foolishly and making themselves suffer, or even find fault with themselves, and are hard on themselves. Obviously, if these weaknesses among the ranks of cadres are not overcome, Shanghai will not be able to meet the requirements for better, faster, and bolder construction and reform in the 1990's, which are set by the proletarian revolutionaries of the older generation. Therefore, to further resolve the question of cadres in accordance with the requirements of reform and opening is a task of top priority in realizing Shanghai's strategic idea and goals of the 1990's.

In efficiently selecting and using a large number of cadres with both morals and talent, we should, first of all, be bold. Comrade Deng Xiaoping said as early as a decade ago: "We have said that capitalist society is not good, but it is very bold in discovering and using talented people. It has a special feature, that is, disregard of seniority. Whoever is

qualified will be employed, and this is regarded as a matter of course." The practice in the past decade shows that there should not be excessive misgivings and innumerable rules and regulations in selecting and promoting young and middle-aged cadres. We should be bold in reform and opening, as well as in appointing cadres. Party committees and organization and personnel departments at all levels should emancipate the mind, remove obstacles, and dare to reform outdated organizational and personnel systems by vigorously training and boldly promoting outstanding talented personnel.

Secondly, we should not stick to one pattern but should appoint talented people through diverse channels. Xun Zi, a thinker of the Warring States Period [475-221 B.C.], said in "The General Outline [da lue 1129 3970]": "A person who can make suggestions and implement them is a national treasure; one who cannot make suggestions but can carry them out is a national instrument; one who has ideas but cannot implement them is a tool for the nation; and one who utters flowery words and does evil things is a national demon. A ruler of a nation should respect its treasures, cherish its instruments, appoint the tools, and eliminate its demons." A fundamental principle for ruling the country put forward by Xun Zi is to appoint all kinds of talented people through the broadest channels while preventing evildoers from sneaking into the leadership core. This principle merits the keen attention of party committees and organization departments at all levels. Respecting the treasures, cherishing the instruments, and appointing the tools means recruiting and appointing all kinds of talented personnel. Being a treasure, an instrument, and a tool are the different expressions and aspects of the ability, wisdom, competence, scholarship, and talent of people. There are people like this: "Speaking haltingly but acting nimbly," some comrades are inept at speech but capable of doing solid work. We should promote such people of action. There are also comrades who are not good at "assuring victory a thousand li away" but are capable of "devising strategies inside a command tent." They are good at thinking, stating their views, and making useful suggestions. We should also promote such cultured people of the think-tank type, who can devise strategies and plans. As for the rare, talented comrades who, "well versed in both polite letters and martial arts," are eloquent and courageous to advance forward, they are all that we could wish for. Only those "national demons," who "utter flowery words and do evil things," a role played by double-dealers and fence-sitters, should absolutely not be allowed to sneak into the ranks of our cadres.

In accurately and efficiently selecting cadres, it is also necessary to give expression to democracy. We should resolutely do away with the promotion system under which "a person is good when he is said to be good, even though he is not good; and one is not good when he is said to be not good, even though he is good," as perceived by the masses. We should bring democracy into play, follow the mass line, and "boldly promote into new leading bodies, those people who are publicly recognized by the masses as having persisted in and scored political

achievements in carrying out the line of reform and opening. In this way, we can prevent the subjective voluntarism of individual leaders and evil practice in appointing personnel, while better reflecting the fundamental wishes of the masses. Of course, it is also necessary to draw concrete analyses of popular feelings under different circumstances. We should pay attention to eradicating the false and preserve genuine feelings; and discourage some cadres who, overanxious to improve relations with people at higher and lower levels surrounding them, dare not boldly make innovations nor take up responsibility.

"Each generation produces its own talented people, and each of them can command an impact of several hundred years." The large number of young and middle-aged cadres emerging in this drive for reform, opening, and modernization will not only display their talent to the fullest and perform meritorious services in the nineties, but many of them will be "cross-the-century" talented people. They will become the "human ladder," succeeded by another new generation in the endeavor to realize the third-step strategic goal in the 21st century. This is the way we can carry out the magnificent undertaking of building socialism with Chinese characteristics. One generation after another will climb the "human ladder," set up by their predecessors, for the step by step building of the "tower leading to the sky" of socialism.

Central-South Region

Guangzhou Muslims Observe End of Ramadan

OW1604204191 Beijing XINHUA in English
1437 GMT 16 Apr 91

[Text] Guangzhou, April 16 (XINHUA)—More than 2,500 Chinese and foreign Muslims in Guangzhou thronged to a large mosque today to celebrate the traditional festival of Bairam, which marks the end of the month-long Ramadan fasting period.

Yang Hanguang, the religious leader of the mosque, told the celebrants that this year's Bairam festival has been more lively than any previous festivals because the occasion coincides with the 69th National Export Commodity Fair.

A Muslim businessman from Pakistan said: "This is the first time I have spent the Bairam festival in China, and I am very pleased to celebrate the festival with Chinese Muslims. I hope Muslims all over the world will achieve common progress."

Officials from the Guangdong Provincial Government, the Guangzhou Municipal Bureau of Religious Affairs, and the United Front Work Department attended the ceremony and extended festival greetings to the local Muslims.

The festival was also observed today in Beijing, Xinjiang, Ningxia and Qinghai.

Commission Approves Shenzhen Feeder Railway Line

OW1604100391 Beijing XINHUA in English
0941 GMT 16 apr 91

[Text] Shenzhen, April 16 (XINHUA)—Shenzhen City plans to build a feeder railway line linking three harbors in the special economic zone in a bid to quicken the development of the western part of the zone.

The plan has recently been approved by the State Planning Commission.

The feeder line of the Guangzhou-Shenzhen Railway Line will connect Pinghu Station with Gangwan Station in the Nanshan area, linking up the Mawan, Chiwan and Shekou Harbors.

The 46-kilometer-long feeder line will require an investment of 245 million yuan, which will be funded by the Shenzhen Nanstan Company, the Nanhai Oil Shenzhen Development and Service Corporation, and the China Merchants Development Company.

The feeder line has been listed as one of the zone's 10 major projects in 1991 by the Shenzhen City Government.

Construction of another feeder line in Shenzhen City started on November 29 last year. The feeder line will stretch between Pinghu Station and Yantian Harbor.

Zhao Fulin Inspects Guilin Prefecture

HK1604151591 Nanning Guangxi Regional Service
in Mandarin 1030 GMT 15 Apr 91

[Excerpts] On the afternoon of 14 April, regional party Secretary Zhao Fulin arrived at Guilin Prefectural party committee to inspect and guide work; he was briefed by prefectural party Secretary (Zheng Yi) on the work situation in 1990, the arrangements for key tasks in 1991, and the situation of work in the first quarter of this year.

After listening to the report, Zhao Fulin said he was very satisfied with the achievements in building the two civilizations scored by Guilin Prefecture in the past several years. He spoke highly of the work in agriculture, and in particular the work in grain, forestry, family planning, and party building.

Secretary Zhao Fulin said that at present, through implementing the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and of the Fourth Session of the Seventh National People's Congress, the guiding thought of the regional party committee is: Seriously grasp education on developing productive forces; adhere to the central task of economic construction; the enthusiasm of leaders at various levels, and of the great masses of cadres and people should be concentrated on quadrupling the national economy and achieving some degree of affluence; and they should understand the region's and prefecture's situations, study their own strong points, develop these strong points while avoiding weaknesses, and formulate their own development plans and programs in a pragmatic manner. In concrete terms, they

should stabilize grain production; grasp exploratory agriculture; actively develop township and town enterprises; and develop industry in a planned manner, especially resources industry below county level.

Zhao Fulin stressed: Grain production should not be taken lightly; without steady growth of grain, various economic sectors and township and town enterprises cannot develop. At present, it is necessary to grasp exploratory agriculture, that is, grasp various economies. Without this condition, peasants cannot become rich, and the national economy cannot be quadrupled. The development of township and town enterprises and exploratory agriculture is our region's strong point. We plan to hold a meeting at an appropriate time to study and formulate some policies and measures to mobilize various departments at the senior and lower levels to run joint operations and exploration. [passage omitted]

Finally, Zhao Fulin stressed that spiritual civilization construction must grasp socialist ideological education, the building of leadership groups at various levels and of grass-roots organs, the building of party spirit and clean government, scientific and technological education, family planning, and so on. [passage omitted]

Secretary Zhao Fulin hoped that Guilin's leaders would unite and fight side by side to enable the building of the two civilizations to rise to better results.

Hou Zongbin Speaks on NPC Fourth Session

HK1604143791 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 14 Apr 91

[Text] At a meeting of cadres at and above provincial department level and from various organs directly under the provincial authorities, which was held the day before yesterday, provincial party committee Secretary Hou Zongbin stressed: At present, we have yet to clearly define our guiding ideology, strategic principles, goals, and work mentality. The key issue at present is to concentrate our efforts on implementation. To this end, leading cadres at all levels and the people of the whole province must strive to safeguard Henan's image by working in a humble manner.

The meeting was presided over by Li Changchun, provincial party committee deputy secretary and provincial governor.

Yang Xizong, provincial people's congress standing committee chairman, first took the floor to relay the spirit of the Fourth Session of the Seventh National People's Congress [NPC]. He said: The Fourth Session of the Seventh NPC was at once a meeting entrusted with a great mission and a meeting of great importance to our country's development in the next decade. The people of the whole country had been waiting with concern for a long time, and the whole world also paid great attention to it.

Chairman Yang relayed two draft laws proposed by the State Council and the NPC Standing Committee [words indistinct].

In his speech, Secretary Hou Zongbin said: The outlines of the Eighth Five-Year Plan and the 10-Year Social and Economic Development Program are the program of action for China's development in the 1990's. We must implement the spirit of the session in all our types of work on the basis of conscientiously studying it. Strengthening implementation is a strong demand of the broad masses of cadres and people [words indistinct]. Leading cadres at all levels must take practical steps to transform their work style, greatly advocate the fine style of seeking truth from facts, make earnest efforts to strengthen implementation, achieve good results in this regard, and try to tackle thorny and difficult problems which have caused great concern among the masses. On the other hand, the broad masses of people should consciously safeguard Henan's image, strive to create a fine social order and a fine social environment, and push ahead with Henan's reform and opening up.

Xiong Qingquan Addresses Forum in Hengyang City

HK1204152591 Changsha Hunan Provincial Service in Mandarin 2300 GMT 11 Apr 91

[Excerpt] From 9 to 10 April, provincial party committee Secretary Xiong Qingquan inspected industrial and agricultural production in Hengyang City.

At a forum held yesterday morning, Comrade Xiong Qingquan stressed: In carrying out agricultural production, we must readjust structures and enable peasants to increase production and income. To this end, first, we must readjust the agricultural production structure, stabilize the grain-growing area, and develop economic crops and township and town enterprises. Second, we must readjust the internal structure of grain production; grow more quality rice; and take the road of growing quality, high-yield, and low-cost crops thereby increasing crop output year in and year out.

Yesterday afternoon, before returning to Changsha, Comrade Xiong Qingquan went to Baishu Village in Zhurong Township, Hengshan County and held cordial talks with the peasants who were planting and raising double-harvest early rice seedlings in the fields. [passage omitted]

Mourns Death of Former Adviser

HK1604051591 Changsha Hunan Provincial Service in Mandarin 2158 GMT 13 Apr 91

[Excerpts] Yesterday afternoon [13 April], a total of 1,200 people including provincial party, government, military leaders, and representatives from all sectors gathered at the Changsha Funeral Home to pay their last respects to the remains of Comrade (Shi Jie), former adviser to the provincial government and former member of the provincial advisory committee standing committee.

Comrade (Shi Jie) suffered from sudden myocardial infarction and died in Changsha at 1100 on 7 April at the age of 74, after all efforts to save him failed.

Provincial party, government, and military leaders and veteran cadres including Xiong Qingquan, Chen Bangzhu, Sun Wensheng, (Yang Zhenwu), et al laid wreaths and paid their last respects to the remains. [passage omitted]

Other wreath presenters were the CPC Organization Department and Wang Zhen, vice president of the PRC.

(Wang Zhenguo), vice chairman of the provincial advisory committee, presided over the funeral.

Chen Bangzhu, deputy secretary of the provincial party committee and governor, gave an account of Comrade (Shi Jie's) life. [passage omitted]

Southwest Region

Guizhou To Boost Annual Gold Production

OW1204093391 Beijing XINHUA in English
0851 GMT 12 Apr 91

[Text] Guiyang, April 12 (XINHUA)—Southwest China's Guizhou Province will become one of the country's major gold production bases.

Guizhou has developed a number of large and medium-sized mines in recent years.

The province plans to further boost its annual production capacity during the Eighth Five-Year Plan Period (1991-95).

A provincial official in charge of gold production said the province's gold deposits are mainly located in the Qianxinan Autonomous Prefecture of Puyi and Miao nationalities.

Tibet Develops Industry During 1st Quarter

OW1604222391 Beijing XINHUA Domestic Service
in Chinese 0600 GMT 16 Apr 91

[Text] Lhasa, 16 April (XINHUA)—During the first quarter of this year, the Tibet Autonomous Region achieved gratifying results in developing its industry and transportation, with most economic indicators showing a double-digit increase.

According to a "XIZANG RIBAO" report, the gross value of industrial production in the Tibet Autonomous Region for the first quarter this year stood at 38.694 million yuan, a fairly large rise compared to last year's corresponding period. Production values in native handicraft industry exceeded the record for last year's corresponding period by 24 percent. Both prefectural and city industries, and those owned by the autonomous region increased their production values.

The first quarter saw a change in electric power production which had previously not increased very much due to bad weather. Total power production from the Lhasa

power grid amounted to 43.24 million kilowatt-hours [kWh], or 19 percent more than last year's corresponding period. Geothermal electricity was 23.24 million kWh of this total. This accounted for 54 percent of the Lhasa power grid's production and was 37 percent more than the geothermal power generated during the same period last year, and made up for insufficient hydroelectric power during the winter low-water season and provided a basic guarantee for meeting requirements for electricity in the capital of this autonomous region and electricity for farm work in areas covered by the Lhasa power grid.

With regard to transportation, the region's volume of cargo transportation for the first quarter this year was 155,000 tonnes, a rise of 34.6 percent above the record registered for the same period last year.

During the first quarter, enterprises belonging to the Industrial and Communications Departments of Tibet Autonomous Region acted as leading enterprises. This contributed significantly to large increases in industrial production and transportation volume in the first quarter. The combined production value of the 15 backbone enterprises owned by the Industrial Department of Tibet Autonomous Region was 7.628 million yuan, up 63.4 percent over figures for last year's corresponding period.

XINHUA on the Status of Women in Tibet

OW1604071391 Beijing XINHUA in English
0615 GMT 16 Apr 91

["Status of Women in Tibet (Tibet's Today and Yesterday Backgrounder)"]—XINHUA headline]

[Text] Beijing, April 16 (XINHUA)—Just like European women in the middle age, women in Tibet under serfdom did not have any right to participate in social and political activities. It said in the Tibetan local code: "Slaves and women are prohibited from participating in military and political affairs."

Since the peaceful liberation of Tibet, especially after the abolishment of the feudal serfdom and the introduction of the democratic reform in 1959, great changes have taken place in the status of the deeply oppressed Tibetan women.

—Politically, Tibetan women now enjoy all rights as specified in the constitution that are enjoyed by all Chinese citizens. Like men, they have the right to vote and to be elected, to air opinions and participate in all important state and Tibetan issues. Many Tibetan women are working at different levels of the local Tibetan Government. Some have even taken up key leadership positions.

Statistics show that Tibetan women make up 10.2 percent of all local cadres above the county level. They have been praised by the people for their outstanding capability and performance.

—Economically, Tibetan women have the same right as men to work and to be equally paid. They have shaken off the fetters of feudalistic ideas and social prejudices and

have participated in various social, economic and cultural activities, making an active contribution to the development and progress of Tibet. Now women make up more than 30 percent of employed workers in Tibet.

- Under the serfdom system, few women had the right to an education. They only started to have the right to study after the abolishment of the serfdom system. Group after group of Tibetan women have entered

institutions of higher learning, middle and primary schools either in Tibet or in other parts of the country.

Over the past 40 years, many Tibetan women have become engineers, agronomists, teachers, doctors, nurses, artists and other specialists. The number of women with senior professional titles makes up over 17 percent of the total number of professional title holders in Tibet. A new generation of Tibetan women is growing up.

Opposition Walks Out of Assembly; To Demonstrate

OW1604181191 Taipei Domestic Service
in Mandarin 2300 GMT 15 Apr 91

[Text] The ruling and opposition parties are no longer able to reach agreement on ironing out their differences over the amendment to the constitution at a special session of the National Assembly.

The Central Committee of the Democratic Progressive Party [DPP] decided on 15 April to abandon its appeals in the National Assembly meeting and instead appeal directly to the masses. It decided to launch a large-scale demonstration on 17 April to unite all people in a fight against the Kuomintang [KMT] after the KMT indicated that there is no room left for concessions on its part.

In reaction, on 15 April the KMT took a hardline stand in response to the DPP's decision, criticizing it as inappropriate and expressing the hope that the DPP will study other means of appeal instead of stirring up a mass movement and inciting people to take to the streets.

As the two sides take firm stands in anticipation of confrontation, a fierce struggle between ruling and opposition parties looms.

The DPP's group for dealing with the constitutional and political crisis held an enlarged meeting of cadres on the morning of 15 April and decided to ask all members of the DPP Caucus in the National Assembly to walk out of the special session on the afternoon of 15 April.

Further, it was decided that efforts would be undertaken to mobilize the whole party to stage a large demonstration in front of the Chungshan Building on the afternoon of 17 April to protest dereliction of duty by the old and inveterate thieves on the question of the constitutional amendment. DPP Chairman Huang Hsin-chieh and all DPP staff, personnel, and leading cadres will lead the demonstration.

The decision that the DPP Caucus in the National Assembly would walk out of the special session was enacted by the caucus at 1635 on 15 April. Because the DPP Central Committee's decision formally announces the abandoning of the parliamentary line, most caucuses at various parliamentary levels are inclined to respond to the DPP Central Committee's call. The Central Committee has decided to let DPP caucuses in the Legislative Yuan and at various parliamentary levels make their own decisions about whether they will answer the call.

The DPP Caucus in the Legislative Yuan will reportedly make a final decision on its position on 16 April, although it may stage a phased walkout. The DPP Caucus in the Provincial Council has supported the move by the DPP Caucus in the National Assembly to walk out of the special meeting and take to the streets; furthermore, it will decide on the evening of 16 April on waiting for a more opportune moment to follow the call. The DPP Caucus in the Taipei City Council has announced cancellation of a 16 April afternoon meeting, while the DPP Caucus in the Kaohsiung City Council is still thinking about what to do.

President Urges Return

OW1604181491 Taipei CNA in English 1601 GMT
16 Apr 91

[Text] Taipei, April 16 (CNA)—President Li Teng-hui Tuesday urged oppositionists in the Republic of China [ROC] to be rational in seeking democratization saying the country needs reform which (?is) different from revolution.

The president's call, made in a televised speech in the evening, came one day after the opposition Democratic Progressive Party (DPP) announced to quit the parliament in protest against senior National Assembly members' participation in constitutional reform.

DPP leaders threatened to take their issues to the streets and planned to hold a rally in downtown Taipei Wednesday.

Li said the DPP decision is "very regrettable" both in the light of the development of democracy and the future of constitutional reform in the country.

He reiterated that the government will never change its determination to implement democracy, but stressed: "Constitutional reform, which is different from revolution, must be done according to the procedure stipulated by the constitution. That is the right course to pursue democracy."

"We hope the process will be completed by the middle of next year," the president added.

The major purposes of the extraordinary national assembly session being held in Taipei, Li said, are to make necessary addition and revision to the constitution.

The changes will make the constitution better meet the current needs and lay a legal foundation for the election of the ROC's second national assembly, said the president.

Many major issues that are not discussed during the session may be put on the agenda next year when the new national assembly, scheduled to be elected late this year, meets to revise the constitution, he said.

Lee also defended the government's decision to revise the existing constitution instead of creating a new one, saying it was based on a consensus reached during the National Affairs Conference held last June 28 to July 4.

The president called the conference, participated by representatives from various sectors across the society, after he was sworn in to a new six-year term last May in order to solve political problems arising during the past four decades and to pave the way for further development of democracy in the country.

Warning against the DPP decision to appeal to street demonstration, Li said a responsible political party should try to win public support by expressing its political ideas through legal means, but not abandon the mandate of its voters and shift to other means that may harm the country's growing democracy.

With the country's future and public well-being in mind, the president stressed, all politicians and citizens should adopt a rational attitude and work together for democratization in the Republic of China.

Hong Kong

Sino-British Talks on Airport Project Continue

Zhou Says Agreement Possible

HK1304092691 Hong Kong HONGKONG STANDARD
in English 13 Apr 91 p 1

[By Amy Choi]

[Excerpt] An agreement between China and Britain could be reached on the new airport in Beijing if the British side showed more "sincerity", China's top representative in Hong Kong said yesterday.

Speaking on his return from the annual National People's Congress in Beijing, the Director of the Hong Kong branch of the Xinhua News Agency Zhou Nan said both sides had narrowed their differences during the negotiations.

But he said: "If the British were more sincere in the talks, I think an agreement can be reached soon."

Mr Zhou's comments could be interpreted as a call for Britain to make further concessions to facilitate an early agreement this weekend. Talks continued yesterday but negotiators did not report any breakthrough.

A Hong Kong government spokesman confirmed that no imminent announcement was expected. He said it was likely that Hong Kong negotiators Andrew Burns and William Ehrman would take a break from the negotiations this weekend if they continue beyond this afternoon.

The airport talks in Beijing have prompted local legislators to propose motion debates relating to the new airport and the suggestions of a right of veto from China on any projects which straddle the 1997 transition. [passage omitted]

Editorial Urges Prudence

HK1304073991 Hong Kong WEN WEI PO in Chinese
13 Apr 91 p 2

[Editorial: "Financial Arrangements for the New Airport Must Be Made Prudently"]

[Text] The budget expenditure for the construction of the new airport exceeds HK\$100 billion and the project is to take 15 years. The enormous amount of this expenditure, the wide aspect of influence, and the long period of time are unprecedented in Hong Kong history. The situation that may emerge cannot even be predicted today.

The situation of the actual gross cost of an important and large construction project exceeding the estimated cost of construction by a wide margin frequently happens. The Hong Kong Government has consistently implemented a policy of "additional project expenses" in its capital construction. Over the past two years, approximately half of the capital construction projects have become "fishing projects" with additional expenses. Although

the cost of the new airport project as estimated by the Hong Kong Government is HK\$127 billion, some professionals estimated that the gross cost after the completion of the whole plan would be about HK\$250 billion and even as high as HK\$300 billion when all factors, including the rate of inflation and interest, are taken into consideration. Now, if the Hong Kong Government budget expenditure is HK\$127 billion, it can be foreseen that the Special Administrative Region government will be confronted with financial pressures after 1997. Should the Hong Kong Government implement the policy of "additional project expenses" in the new airport project and increase the gross cost to HK\$250 billion or even HK\$300 billion, the Special Administrative Region government and even all of Hong Kong could hardly bear it after 1997. So far as the new airport project is concerned, it is very important that rational financial arrangements must, therefore, be made on the foundation of prudently estimating the cost of construction. In this case, it at least involves the questions of increasing taxes and borrowing money.

It is inadvisable to complete the new airport plan through an increase in taxes because it will increase the rate of inflation, aggravate the burdens on the citizens and investors, and will probably even alter Hong Kong's low tax system. This is disadvantageous to Hong Kong's long-term stability and prosperity. A few days ago, Premier Li Peng, therefore, told reporters that it was hoped that the new airport project would not bring about more burdens, such as an increase in taxes, to the Hong Kong residents.

The question of borrowing money for the new airport project also warrants close attention. In the past, the Hong Kong Government followed this principle in borrowing money: At no time could the interest of its loans exceed the interest earned from its financial reserve in a year. The Hong Kong Government must also follow this principle in borrowing money for the new airport project. Should the Hong Kong Government borrow an enormous amount of money that exceeds its normal solvency, heavy debts would be incurred in 1997 when the Special Administrative Region government is established. The reserve retained in advance could only be used to repay the debts and would even be insufficient to do this. The so-called reserve retained in anticipation is only like "drawing water with a bamboo basket" in the end. In the normal operation of the Special Administrative Region government, likewise, there is a lack of financial guarantees of the colossal amount of pensions for the civil servants.

As to the financial arrangements for the new airport project, consultation must prudently continue to seek a plan that can consider Hong Kong's prosperity and stability before and after 1997. The Chinese side must be consulted and the difficult problems must be solved together, especially those duties and obligations of the airport plan that the Chinese Government will be required to repay after 1997.

Does the scale of the project spanning 1997 suit the ability of the Special Administrative Region government? Are the debts spanning 1997 too large? These kind of questions involve the scale of the whole new airport project and whether the estimated cost of construction is rational or not. Once the Chinese side promises to support the construction of the new airport, it must undertake responsibilities for the future Special Administrative Region government in these issues. As the Chinese side has to undertake these responsibilities, it must participate in substantial examination and discussion of the relevant financial arrangements. To facilitate transition and for Hong Kong's prosperity, the Chinese side must be prudent. Would not the Chinese side be responsible to the Special Administrative Region government and therefore also not be responsible to the long-term interests of the Hong Kong people if it rashly agreed with the British side without examining and discussing the issues of borrowing money and the scale of the project? What if it also made all sorts of arrangements for the future Special Administrative Region government that resulted in heavy burdens left behind in the form of a large yearly increase in taxes and charges, and inflation?

The rose-garden plan was arbitrarily picked by only a few British officials and was hastily begun without extensive consultations with the Hong Kong people, and without the Legislative Council members having detailed data for carrying on examination and discussion. The Chinese side put forward a timely viewpoint of prudent consultation and this, no doubt, guarantees that the policy of this tremendous capital construction plan will be more practical, more scientific, and of more benefit.

Talks Adjourned

HK1404033691 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English
14 Apr 91 pp 1, 2

[By Chris Yeung in Beijing]

[Text] Hopes of a quick settlement to the Chek Lap Kok airport dispute faded yesterday with Britain and China breaking off talks with key issues left unresolved.

A senior mainland official also warned Hong Kong against making "irresponsible remarks" about China.

British negotiators Mr Andrew Burns, of the Foreign Office, and Hong Kong Political Adviser Mr William Ehrman will return to the territory today to report to the Governor. Mr Burns will then return to London to report to British Foreign Secretary Mr Douglas Hurd.

The talks were adjourned at the request of the British. No further talks have been scheduled while both sides consider their positions.

It is understood China has secured agreement on one issue—a guarantee on the level of the territory's financial reserves, but Britain has yet to agree to Beijing's demand to

be consulted on important issues straddling 1997 or to have veto power over the \$127 billion port and airport project.

Both sides are said to have spent the past two days exploring a number of compromise options that would allow China to have a say on the airport scheme, but still give the Hong Kong Government effective overall control.

Beijing has argued that besides the airport plan it should be consulted on important projects and decisions that cross over the 1997 transfer of sovereignty and should be given the right of veto.

But the British side has insisted that under the terms of the 1984 Joint Declaration, it is responsible for administering the territory and that China should only be "consulted" on matters straddling 1997. It has argued that to give in to Beijing's demands for a major say in how the territory is run would undermine the effectiveness and authority of the Hong Kong Government.

In a statement, the British Embassy said last night: "Some progress has been made. The position of the two sides is now closer but some important issues remain to be resolved.

"Both sides will take stock of where they have reached before resuming the talks. The time and place will be agreed through diplomatic channels."

British Embassy spokesman Mr Peter Davies declined to elaborate.

A statement from the Chinese, delivered by Mr Chen Zouer, deputy department head of the State Council's Hong Kong and Macao Affairs Office, said both sides had agreed to hold further talks.

"This afternoon the British side has proposed the talks be adjourned. The Chinese side agreed," he said.

"During the discussion, the proposals made by the Chinese side have been to ensure a high quality airport for Hong Kong to be built at an early date.

"It will also ensure that Hong Kong's future has a sound financial basis and that it will not have to resort to tax increases or raising loans."

Before yesterday's talks began at 3.30 pm at the Diaoyutai State Guest House and ended about 7 pm, Mr Chen, who led the Chinese negotiators, warned Hong Kong against making "very irresponsible" comments which could adversely affect the outcome of further talks.

Mr Chen's warning was an apparent reference to remarks by some Executive and Legislative Councillors last week urging the Hong Kong and British governments not to bow to Beijing's demand for a say in the day-to-day administration of the territory as it was tantamount to handing over control before 1997.

Last night, Legislative Councillor Mrs Selina Chow Liang Shuk-ye defended the territory's right to speak out.

"Quite honestly I don't see how people speaking their minds could be harmful to anything," Mrs Chow said. Last week, Senior Legislative Councillor Mr Allen Lee Peng-fei warned against building an airport at any price.

"We should not hold an attitude that we must build the airport under all circumstances. We must consider the price," he said.

Fellow legislator Mrs Rita Fan Hsu Lai-tai said earlier that the government would owe the public an explanation if it decided to shelve the airport plan.

"Is it because the conditions are too stringent? Or is it because we have to compromise on matters of principle such as effective responsibility for the people of Hong Kong?" she said.

Mr Chen insisted that the Chinese side had been sincere in seeking an early agreement on the airport.

"We have been giving it our best effort and hope that our negotiating partner is doing the same," He said.

"We hope the British and Hong Kong authorities can seize the opportunity and make a quick decision."

Construction Delay Predicted

HK1504021891 Hong Kong SOUTH CHINA
MORNING POST in English 15 Apr 91 p 1

[By Chris Yeung, Fanny Wong, and Bellette Lee]

[Text] Construction of Hong Kong's replacement airport is almost certain to be delayed following the decision by China and Britain to adjourn indefinitely their negotiations on the controversial scheme.

No date has been set for the next round of talks and they are unlikely to be resumed before the end of the month.

Local officials responsible for the multi-billion-dollar scheme will meet today to assess the latest developments.

But the Hong Kong share market is expected to feel the first negative effects this morning.

Despite the encouraging prospects for a cut in interest rates, few brokers believe the market can immediately overcome this latest setback to the Port and Airport Development Strategy (PADS) projects.

"A cut in interest rates has been expected in the market, but many investors have been surprised and disappointed at the failure of the PADS talks," Citicorp Vickers' analyst Mr Simon Chin said.

The Government is already behind in its initial schedule to receive tenders from the pre-qualified firms for the Lantau Fixed Crossing by last month.

It is now apparent that even if a Sino-British agreement were put together this month, which seems unlikely, the Government would only be able to proceed with its tender exercise in May at the earliest.

According to the Government's original timetable, about 90 percent of the airport core projects, including the Chek Lap Kok airport itself and its transport links, would be completed by early 1997.

The remaining construction work would be finished after the 1997 handover of sovereignty.

But the current stalemate puts that timing in question.

British negotiators, the Foreign Office's Assistant Under-Secretary for Asia, Mr Andrew Burns, and the Hong Kong Government's Political Adviser, Mr William Ehrman, returned to Hong Kong yesterday to brief the Governor, Sir David Wilson.

Mr Burns left for London last night to report to the Foreign Secretary, Mr Douglas Hurd.

Earlier in the day, Mr Burns said in Beijing: "Some important issues are still outstanding but we have made some jolly good progress."

"We have had an intensive 10 days of consultation, contacts and meetings and I will report to the Governor and the Foreign Office. We will then decide where we will go from there."

He refused to say if he was optimistic that a Sino-British agreement could be reached. Nor did he give any idea about whether the talks would be resumed next month.

"We will fix them up at a mutually convenient time," he said.

Even though the two sides said their differences had been narrowed, China's demand for the right to have a say on Hong Kong matters before 1997 remains the main obstacle.

The British side interpreted Beijing's demand as tantamount to joint rule, despite China's denial of such an intention.

Meanwhile, Senior Legislative Councillor Mr Allen Lee Peng-fei yesterday warned that any delay in the completion of the first phase of construction until after 1997 would incur higher costs, coupled with the risk of Kai Tak facing saturation.

"It will be a drastic mistake if Hong Kong cannot have a new airport. I don't think Hong Kong can afford not to have it. Our economic development and status as an international city will be affected."

"After 1997, Hong Kong will be part of China. Hong Kong's loss will be China's loss. It should be very clear in their minds that if no agreement is reached, the detrimental effect will be on Hong Kong, not on Britain," he said.

Mr Lee, who is also an Executive Council member, said the expansion of Hong Kong's aviation industry would cease once Kai Tak reached saturation.

PRC Plan Guarantees Quality

HK1604084591 Hong Kong WEN WEI PO in Chinese
16 Apr 91 p 12

["Newsletter from Beijing" by staff reporter Chen Chien Ping (7115 1696 1627): "Chinese Side Persists in Striving for Hong Kong People's Interests: Discussing Lu Ping's Remarks on Airport Proposal"]

[Text] Beijing, 15 Apr (WEN WEI PO)—The Sino-British talks on Hong Kong's new airport were adjourned several days ago, and people have expressed concern over this development. Lu Ping, director of the Hong Kong and Macao Affairs Office of the State Council, today told reporters who pressed him for answers that the Chinese side has proposed a plan for the Hong Kong British authorities to consider—a plan which will guarantee the construction of a quality airport as soon as possible, and which will also guarantee sound finances for the future Special Administrative Region government, freeing it from borrowing money and increasing taxes.

The Twofold Meaning of Lu Ping's Speech

In the past several days, Lu Ping has attempted to avoid reporters and not answer any questions; he eventually made these remarks today, which should be viewed as significant. The words of Lu Ping include at least two important points: First, in a cooperative manner, the Chinese side has proposed a plan which considers the interests of various quarters; whether the Hong Kong British authorities are willing to cooperate, and whether the construction of the new airport can begin amid Sino-British cooperation is no longer a responsibility of the Chinese side. Second, since the plan proposed by the Chinese side has considered the overall situation, it has carefully considered many plans including those proposed by the Hong Kong British authorities; therefore, the basic stance, principle, and demand of the plan will not change.

The British Side Repeatedly Asks for Confidentiality

If the plan proposed by the Chinese side considers the interests of various quarters, then why has it not been announced so as to let people make their judgments? The secret comes from the word "confidentiality." According to information, because the investment in the new airport is huge and will have a great impact on Hong Kong society and economy, the Chinese side has earnestly suggested that the transparency of this large-scale project be increased and that opinions from various quarters in Hong Kong be solicited. The Hong Kong Government, out of some unknown consideration, said the more confidentiality the better. Hong Kong Governor Wilson said so when he came for a visit; British Foreign Secretary Hurd, when visiting Chian, said he would follow suit. From the third meeting of the airport expert team to the recently adjourned meeting of the work team, some inside information on the talks has been continually disclosed by Hong Kong and Britain. Chinese officials, however, have not said a word,

and it is believed that this is to comply with the demands of Hong Kong and Britain and at the same time to show China's sincerity in cooperation.

Proposing Principle for Macro-Level Guidance

As far as I know, rigidly speaking, the plan proposed by the Chinese side is a principle for macro-level guidance, which establishes the prerequisites for building a new airport in Hong Kong. The Chinese side does not create these principles randomly. The reporters from this newspaper noticed that, in order to understand the new airport project, in the past six months the Chinese side organized a group of people to carry out research and consultation, including going to Hong Kong to listen to the opinions of various quarters. I remember that when the Hong Kong Basic Law was being drafted, the mainland drafters seldom made suggestions or proposals in the form of a "plan" even though they had different opinions on a certain article. This time, during the meeting on Hong Kong's new airport, the Chinese side explicitly expressed that it has proposed a plan. This indicates not only that they have a plan of their own, but for Hong Kong's long-term interests, they will adhere to it.

It Is Hoped That Hong Kong People Can Make Assessments

According to information, during the whole process of talks, the Hong Kong British authorities have also proposed several plans; some said three, some said four. Since they have plans, can they announce them so as to let Hong Kong people make assessments?

PRC Threatens Talks Disclosure

HK1704030591 Hong Kong SOUTH CHINA
MORNING POST in English 17 Apr 91 pp 1, 1

[By Fanny Wong]

[Text] China yesterday stepped up pressure on Britain and Hong Kong to react to its airport proposal by threatening to disclose details of the secret Sino-British negotiations on the Chek Lap Kok plan when necessary.

The warning came from Mr Lu Ping, the Director of the Chinese State Council's Hong Kong and Macao Affairs Office, ahead of today's debate in the Legislative Council during which legislators will call on the Hong Kong Government to reveal what took place in the week-long talks in Beijing.

Mr Lu said his promise to reveal what occurred was meant to demonstrate China's accountability to Hong Kong people.

Mr Lu has been pressing Britain for a quick reply to what he referred to as Beijing's "reasonable proposal" on the airport projects.

However, it is understood that the Hong Kong Government would need some time to review its position, including options on whether to press ahead with the projects.

A special Executive Council session on the issue will be held as soon as the Government's assessment report is available.

Speaking after yesterday's Executive Council meeting, the Governor, Sir David Wilson, refrained from commenting on Mr Lu's remarks.

Instead, he said Britain had already put forward some proposals to Beijing last weekend.

"It (the airport) is something which Hong Kong needs. We've been aware of certain Chinese concerns," he said.

"And at the end of last week, (we) have put forward proposals in Beijing which I believe should meet those concerns but also, and this is a very important point, enable us to get ahead with building the airport in an effective practical manner and enable us to carry out the responsibility that we have for the continued effective administration of Hong Kong."

Executive Councilor De Wang Gungwu said the Governor's remark on the British proposal did not amount to any concessions to China.

Sources said the Government would observe the principle of confidentiality, despite pressure from Beijing.

To pre-empt speculation about an unfavourable secret Sino-British deal, the Chief Secretary, Sir David Ford, is expected to give an undertaking in today's Legislative Council sitting that the Government will reveal details of any agreement reached.

Sources denied that China had put forward a proposal which, as Mr Lu claimed, would enable Hong Kong to build a high-quality airport without resorting to tax increases or raising loans as well as enabling Hong Kong to keep an adequate size of reserves for the future Special Administrative Region.

The sources also denied that China had offered any concrete financial plan for the airport projects, adding that the Chinese suggestions were no more than a set of guiding principles on the scheme's financial arrangement.

Foreign Office sources denied last night that the British Government was embarrassed by the Chinese stance and willingness to disclose details of the proposals put forward during the later round of talks in Beijing.

When asked why Britain would not reveal details a senior diplomat said: "We don't think that would be very helpful. Confidential negotiations are in train and there is some stock taking on our side. It is a good idea to maintain secrecy until we have done the deal."

But in Beijing, Mr Lu said before a Macao Basic Law Drafting Committee session that details, including the Chinese proposal, had to be disclosed.

"We maintain that when necessary we will disclose fully the whole process of the negotiations to Hong Kong people," Mr Lu said.

When asked if the disclosure included the Chinese proposal, Mr Lu said: "Yes, everything has to be revealed so as to let Hong Kong people know (what has happened)."

The Executive Council was yesterday briefed by the Political Adviser, Mr William Ehrman, a member of the British negotiating team.

Sources said the councillors had not spent much time discussing the next course of action, pending an assessment report by the administration on the options open for Hong Kong following the adjournment of talks.

It is understood the Government is assessing four scenarios which include:

- Shelving the scheme.
- Going ahead with the scheme without private investment.
- Accepting China's demands in exchange for an early construction.
- Continuing efforts to persuade the Chinese to drop the stringent demands which will compromise Hong Kong's high degree of autonomy.

Leaders in the aviation industry yesterday voiced their concern about the impact of the indecision and political wrangling over the new airport.

During the AVMARK Asian Aviation Financing Conference which closed yesterday, British-based aviation analyst Mr Tim Coombs of County NatWest Securities said that "there seems little doubt that not only Cathay Pacific's interests, but also the best interests of other regional airlines as well as the interests of the colony as a whole are being adversely affected by the lack of a decision".

Right now Hong Kong counts as one of the "infrastructure hot spots" in Asia in terms of capacity constraints, not only in runway capacity, but also terminal capacity and air traffic control.

Other "hot spots" are Tokyo, Osaka, Sydney, Bombay and Bangkok.

"Demand can only be satisfied if there is the infrastructure to support it," he said.

What the current debate between the UK and the Chinese authorities was signalling to the aviation industry was a preview of the relationship that could be prevalent in 1997.

Beijing Said Behind Barring of Taiwan Official

HK1704032191 Hong Kong HONGKONG STANDARD in English 17 Apr 91 p 1

[By S.L. Law]

[Text] A senior Taiwanese official barred from entering the territory on Sunday has criticised the Hong Kong Government for lacking an independent political stand.

Li Wei-lien, director of the Department of Hong Kong and Macao Affairs under Taiwan's Mainland Affairs Commission, said yesterday he was convinced the refusal was a result of pressure from China.

He said he had a valid visa and described the Hong Kong Government's action as unreasonable.

Mr Li has not been given any reason by the Hong Kong Immigration Department for the refusal.

"This sort of 'black box' operation is not acceptable, they should be more open in the matter," Mr Li said.

He said the officer who handled his arrival on Sunday had virtually said nothing.

"He told me I could appeal and they would reconsider the case, but I simply found this ridiculous," Mr Li said.

He said by denying him the right of entry, the Hong Kong Government had violated the spirit of English law.

Mr Li visited Hong Kong three times before his appointment as director of the Department of Hong Kong and Macao Affairs last November.

"I was holding the same tourist visa for the last three visits and there was no problem," he said.

Mr Li attributed the negative response this time partly to reports published in the Hong Kong media last week about his visit.

"The reports aid I would see Legislative Councillors and political advisers in Hong Kong. This is too sensitive."

"I had not arranged meetings of this sort before leaving for Hong Kong," said Mr Li.

But he admitted that boosting morale among Taiwan institutions in Hong Kong was one of the aims of his trip.

These institutions currently had low morale because of China's increasing influence in Hong Kong politics and trade.

Mr Li lodged a protest letter with Hong Kong Immigration at the Kai Tak airport.

Asked if he had contacted the local XINHUA News Agency before leaving for Hong Kong to avoid any complications, Mr Li said he had no connection whatsoever with Beijing's de facto representation in Hong Kong.

"We'll never consider doing this," he said.

An Immigration Department spokesman yesterday refused to comment on Mr Li's case, saying it was an individual case.

But she said under Section 11 of the Immigration Ordinance the department could refuse a visitor entry even if he or she held a valid visa.

An official above officer grade was empowered to refuse entry after taking all relevant facts into consideration, she said. She refused to say what justified a refusal.

Commentator: Law Ensures Stability, Prosperity

HK1204124691 Beijing RENMIN RIBAO in Chinese
4 Apr 91 p 1

[Commentator's article: "Guarantee of Hong Kong's Long-Term Stability and Prosperity: Marking Anniversary of Promulgation of PRC Basic Law for Hong Kong Special Administrative Region"]

[Text] "The Basic Law for the Hong Kong Special Administrative Region" has been formally promulgated for a full year.

The promulgation of the Hong Kong Basic Law is a major event of international and historic significance. It fully reflects the Chinese Government's great principle of "one country, two systems." The basic law stipulates that after Hong Kong returns to the motherland in 1997, the previous capitalist system and way of life will remain unchanged for 50 years and Hong Kong's status as an international financial center and free port will also remain unchanged. These stipulations are in line with the fundamental interests of Hong Kong compatriots and the people of the entire country and are certain to be endorsed by the overwhelming majority of Hong Kong compatriots. The promulgation of the basic law has played, and will continue to play, a strong role in promoting Hong Kong's economic and social development and reassuring the people.

Undoubtedly, the healthy development of the political and economic situations in the Chinese interior over the past year has exerted a positive influence on Hong Kong's stability and prosperity. Hong Kong compatriots' sense of identifying themselves with the motherland is increasing and their confidence in the future of Hong Kong has also been enhanced.

The coming decade is of crucial importance to the Chinese interior as well as to Hong Kong. The six years between this year and 1997 will be the second half of Hong Kong's transitional period. During this period there is a great deal of work to do to ensure the stability and prosperity of Hong Kong and to ensure a smooth transfer of power in 1997. Both the interior and Hong Kong must respect each other politically and live in harmony. On this basis, they must strengthen economic and trade relations and cooperation so that they can make up each other's deficiencies and achieve common prosperity. It is predictable that the course of implementing China's 10-Year Program and the Eighth Five-Year Plan will inevitably be a course of continuously strengthening economic relations and cooperation between the interior and Hong Kong. The cooperation between both sides on the basis of mutual benefit will develop into a new stage.

The basic law reflects the great idea of "one country, two systems" and stipulates a series of policies and principles for the Chinese Government to solve the Hong Kong issue in the form of law. It is a basic law that should be observed by various social sectors in Hong Kong in the future. At present, it is necessary to continue to adopt various effective methods and measures to publicize the basic law among Hong Kong compatriots so that it can be understood by every household. It is necessary for increasing numbers of Hong Kong compatriots to know the contents of the basic law and to encourage them to pay attention to, and take an active part in, Hong Kong's social affairs in accordance with the requirements of the basic law. At the same time, it is also necessary to publicize the basic law among the broad masses of cadres and people in interior parts of the country and unify the thinking and actions of various localities and departments, in accordance with the relevant stipulations of the Hong Kong Basic Law so that affairs between the interior and Hong Kong can be handled correctly. This will not only benefit Hong Kong's stability and prosperity but will also be of great significance to the interior's stability and prosperity.

In his recent report to the Fourth Session of the Seventh National People's Congress [NPC], which dealt with

China's 10-Year Program and Eighth Five-Year Plan, Premier Li Peng said that the compatriots from Hong Kong and Macao are patriotic and are ready to make contributions to the peaceful reunification of the motherland and to the country's modernization. We are convinced that through the common efforts of the people throughout the country, including Hong Kong compatriots, a smooth transition will certainly be realized in Hong Kong in accordance with the relevant stipulations of the basic law. When Hong Kong returns to the embrace of the motherland, we are sure to see before our eyes a more stable and more prosperous Hong Kong!

WEN WEI PO Deputy Publisher Dies

*OW1304164591 Beijing XINHUA in English
1531 GMT 13 Apr 91*

[Text] Beijing, April 13 (XINHUA)—Chen Bojian, deputy publisher of the Hong Kong-based "WEN WEI PO", died of illness in Beijing this morning at the age of 69.

Chen had served as vice-president of the XINHUA NEWS AGENCY and the deputy director of the Hong Kong branch of the XINHUA NEWS AGENCY.

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